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The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, OCTOBER 13, 1932

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THE
WESTERN AND SOUTHERN
INDEMNITY COMPANY

Policyholders Surplus - - - -
\$1,446,300.86

All Securities Valued
at Market
June 30, 1932

Cincinnati,
Ohio

THE
WESTERN AND SOUTHERN
FIRE INSURANCE COMPANY

Policyholders Surplus - - - -
\$462,180.41

All Securities Valued at Market June 30, 1932

Charles F. Williams, President

Address

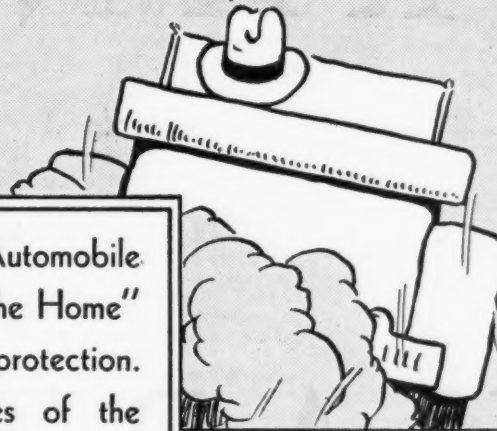
William C. Safford, General Manager

POLICY DETE BUT OH! THAT EXCEPTION

YESSIR - AUTOMOBILE
INSURANCE THE WAY
IT IS PROVIDED TODAY
IS GREAT STUFF.

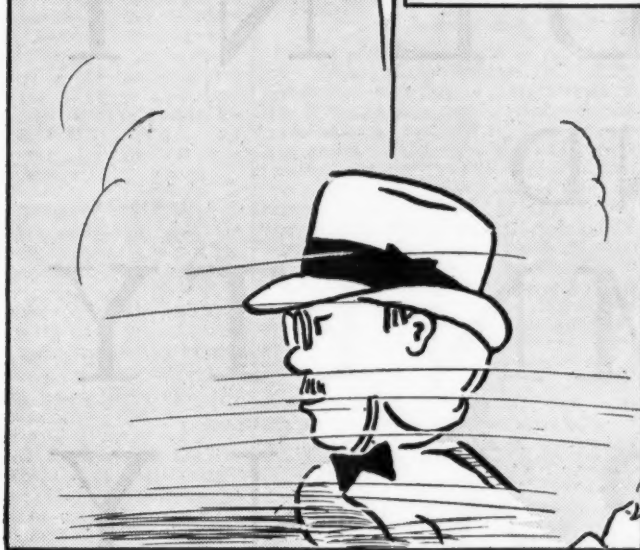


IT COVERS PRACTICALLY
EVERY DANGER OF THE
ROAD -



A Combined Automobile
Policy in "The Home"
assures complete protection.
Q The full facilities of the
Automobile Department are
always available and in readi-
ness to serve all our agents.

WITH POSSIBLY -



**ONE
EXCEPTION**



THE HOME

59 MAIDEN LANE

INSURANCE
COMPANY

NEW YORK

NEW YORK, N. Y.

ORGANIZED 1853

Strength

« »

Reputation

« »

Service

A
VALUABLE
FRANCHISE



The
HARTFORD
ACCIDENT
AND
INDEMNITY
COMPANY



*Year in and year out you'll do
well with the HARTFORD*

The National Underwriter

Thirty-Sixth Year No. 41

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, OCTOBER 13, 1932

\$4.00 Per Year, 20 Cents a Copy

Small Losses Are Cause for Concern

Company Officials See Need of Tightening Up in the Adjustments

REPORT BY H. A. CLARK

Chairman Loss Adjustment Committee Western Insurance Bureau Comments on Present Conditions

NEW YORK, Oct. 12.—In no division of fire underwriting were reformatory practices more necessary than in the handling of claims, prior to the launching of the Fire Companies Adjustment Bureau nearly two years ago. Since that time, under the guidance of the organization and with the cordial cooperation of the great majority of company officials and their field men, changes in the personnel of the company owned adjusting bureaus in different sections of the country, have been instituted; improved methods of claim settling devised; uniformity in accountancy adopted and costs of the business very markedly reduced. With passing time and the application of other plans toward the same general end, still further improvement in the adjusting service is confidently anticipated.

Small Losses Give Concern

As has been repeatedly pointed out within the past 12 months, it is not the larger losses that have given company executives concern, for upon these it is comparatively easy to obtain cooperation. Rather is it the small claims, those of \$100 or less each—and losses of this character constitute fully 85 percent of the total number—that have and still are exercising managerial minds.

In connection with claims of the latter type, H. A. Clark, chairman of the loss adjustment committee of the Western Insurance Bureau, in reporting to the latter body, stated in part that in the handling of small claims "there is, generally speaking, little regard for items of depreciation which in many cases are important, and possibly little regard for that exactness which should characterize the discharge of our obligations to an assured."

Effect on Other Policyholders

Continuing, Mr. Clark maintained that "the overpayment of losses, whether large or small, creates a hazard which results in exorbitant claims by other policyholders, or makes others more difficult to handle. This results in not only an injustice to the company, but in the last analysis in an injustice to the community in which the loss occurs. The unsatisfactory loss ratios in certain states have been due in large part to an almost total disregard of the need for the adjustment of losses on the merits of the individual claims. The proper supervision of the loss adjustment process is of the utmost importance."

(CONTINUED ON PAGE 13)

Auto Specialists Object to W. U. A. Taking Jurisdiction

SAY BUSINESS IS MARINE

Objection Heard That Program in West Is Out of Line With Plans for National Organization

In pondering the question of whether to recommend bringing automobile under the jurisdiction of the Western Underwriters Association, the committee on over-organization of the W. U. A. will run into two conflicting points of view.

There is the position held by many western managers that automobile is an integral part of the fire agency business and therefore should be regulated by the major underwriting organization in the west.

Then there will be the position of those who feel that automobile is essentially a side line and it only happens to be of interest to fire companies because it has fallen to them to write it. Leaders, taking that position, say that automobile is really a marine cover, its only resemblance to the fire insurance being the fact that fire is one of the hazards covered against. This is the viewpoint of the specialist.

Auto Body a Model

Those who are opposed to the Western Underwriters Association taking jurisdiction over any of the activities of the National Automobile Underwriters Association in the west say that if there is a desire to eliminate duplication, excessive bureaucracy and over-organization, the automobile business can be taken as a model. There is only the one organization, the National Automobile Underwriters Association, with its various departmental offices responsible to headquarters. Some of those who want the National Automobile Underwriters Association to continue to be independent of the Western Underwriters Association feel that the future jurisdictional trend lies in the direction of a national organization, controlling all lines written by the fire companies. That is, there would be an automobile department, a fire department, hail department, etc., of the national underwriting organization.

Would Continue Branches

There would be branches in San Francisco, Chicago, Atlanta and Dallas as there are now for the various jurisdictional organizations, but they would bear about the same relation to the national organization as the branch offices

Special Insert Covers Wisconsin Agents' Meet

A detailed report of the annual convention of the Wisconsin Association of Insurance Agents at Madison last week appears in a special insert starting on page 27 of this issue. Roy Landstrom, Wisconsin manager of The National Underwriter, presents an interesting story of the meeting.

Agency Contract Now Being Generally Used in West

FORM IS NOT YET OFFICIAL

Many Companies Get Delinquent, New and Transferred Agents to Sign the Instrument

Many of the companies in the west are putting into partial use a form of agency contract, which is supplied by the Western Underwriters Association. The committee of the W. U. A., which has been pondering the agency contract question and which has had the subject up with a conference committee of agents, has not given final endorsement to a specific contract.

However, one of the western managers, for some months, has been demanding that certain delinquent agents, new agents and transferred agents sign a form of contract. This example was watched by other companies in the west and lately the idea is being generally applied. The companies that are using the form are, like the manager who initiated it, requiring some new agents, delinquent agents and transferred agents to sign it. The principal provisions are that premiums are recognized as trust funds and that the right of the agent to his expirations is recognized, except when he gets behind in his settlements with the company.

Some companies have been eager to have such a contract signed by certain agents, whose condition is constantly perilous. Suits have been started by agents, whose business was sold by the companies, when the agency became hopelessly insolvent. Although the companies do not fear the outcome of such litigation, the courts having universally held that the agent loses the right to expirations when he gets behind, the defense of the suit is expensive and troublesome. With an agency contract in force, setting down in black and white that expirations are forfeited in case of delinquency, the companies feel that litigation would be avoided.

of the National Automobile Underwriters Association do to headquarters.

The automobile specialists, who take this view, feel that the Western Underwriters Association will be out of line with such a program in attempting to form a complete organization in the west. The results of the study by the committee on over-organization will be important, for the whole jurisdictional question will be sounded and an indication of what the future may hold may probably be obtained from a report of the committee and the reaction of the executives in the east to it.

AUTO INDUSTRY INTERESTED

DETROIT, Oct. 12.—Whatever the final attitude of officials may prove to be with respect to the proposition of the Western Underwriters Association that it be granted full supervision over motor vehicle business there is no question as to the position of the automobile industry in the matter. That its influence is one to be reckoned with there

(CONTINUED ON PAGE 13)

L. M. Lilly Stirs Up Hornets' Nest

Letter From President of First Bancredit Corporation Brings Sharp Replies

COMPETITORS HIT BACK

Harold Oppenheimer Issues Statement Attacking Claims in Communication to Companies

The letter which L. M. Lilly, president of the First Bancredit Corporation of St. Paul, sent to the insurance companies concerning premium financing, has stirred up a hornets' nest among Mr. Lilly's competitors. Mr. Lilly informed the companies that his firm would experiment with a new premium financing arrangement for six months. If the plan is not successful within that period, Mr. Lilly advises the companies to organize their own finance corporation.

Harold Oppenheimer's Letter

One of the first to enter the list challenging Mr. Lilly is Harold Oppenheimer, president of the Atlas Acceptance Corporation of Kansas City and a member of the Oppenheimer Brothers agency there.

"It would be too bad if my friend (Mr. Lilly) should go out of the business and force the insurance companies to run a finance company themselves," Mr. Oppenheimer wrote. "They probably would make a success of it if this gentleman whose broad shoulders have assumed the entire responsibility for the financing of premiums would accept the position of president. I personally feel, however, that the insurance companies would prefer to have the old account current help without the necessity of becoming a stockholder in a jointly owned finance company. That would be just something else for the insurance commissioners to worry about."

Business Is Increasing

"For those who are interested, our company has had none of the varied goblins visit us. Our business in this line is increasing each month. We were complimented on our very simple forms by the National Board of Fire Underwriters finance committee. Our plan was accepted by one of the largest, if not the largest, life insurance company as to our mutual protection in regard to their interest as mortgagee. One of our competitors' mortgage receipts was submitted to them by us and we were told that they would not sign any such document."

"All in all," he said, "as one of the 'snide' companies, we hope to continue to be of service to the companies, agents and public."

Mr. Oppenheimer challenges the advertised statements that the First Bancredit's new financing plan involves in-

(CONTINUED ON PAGE 13)

Mountain Field Delinquent Agency Rule Strengthened

CLUB SUPPORT IS MANDATORY

Supervisory Committee Holds Annual Meeting—Deny Denver Request to Curb Agency Licenses

DENVER, Oct. 12.—Outstanding among legislation enacted by the Supervisory committee of the Rocky Mountain Fire Underwriters Association at its annual meeting in Colorado Springs last week is the new rule making it the duty of each company member to require each of its field men, including resident general agents and resident branch managers, to become members of and support the Mountain Field Club. This follows closely similar action taken by the Western Underwriters Association at its recent Manchester meeting.

"Support" was defined to include the Mountain Field Club's rules governing the collection of balances. "The failure, neglect or refusal of a member to so act," the new rule reads, "will be construed as unfriendly conduct, and shall be dealt with under the rules."

Approves Delinquent Rule

The Supervisory committee stamped its O. K. upon the delinquent agency rule adopted by the Mountain Field Club and in addition put even more "teeth" into the rule than had been placed there by the field club. The field club had previously authorized its governing committee to accept in conference any changes or additions made by the Supervisory committee.

The Supervisory committee feels that collections on current balances in delinquent agencies should be distributed first, and amended the new rule by adding this provision which had been included in the former rule of the field club. There had been stout opposition to this theory by the field men and it had been omitted by the club in the interest of harmony. The revived provision reads as follows:

"In the event that liquidation of any agency becomes necessary it is hereby declared the proper and ethical method of distributing agency balances wherein the funds shall be insufficient to pay all claims in full, to distribute and pay such sums in the following order:

"1. To pay on a pro rata basis such monthly accounts as are outstanding for less than 75 days from the end of the month in which the business is written.

"2. To then pay and apply on a pro rata basis such remaining sums to monthly balances owing respective companies in the agency in the inverse order in which the same have become due; provided, however, that if any balance was not duly reported under Section 'A' such balance shall not pro rate in this distribution. The intent hereof is to reward diligence in collections and to obviate the unfairness of permitting those displaying no diligence and allowing large balances to accumulate to take assets in large part against those who have been more diligent."

Section "A" referred to in paragraph "2" provides that on or before the 15th day of each month each member of the field club shall report to the field club office the names of all agents having unpaid balances outstanding more than 60 days from the last day of the month in which the business was written together with the amount of each such balance and the month incurred.

Must Notify Agent

Another amendment supplied by the Supervisory committee provides that the secretary shall notify each agent reported delinquent that he has been so reported.

In discussing this proposition before the Supervisory committee, President A. J. Lehwaldt of the field club declared: "The outstanding problem of the club this year has been the present delinquent

(CONTINUED ON PAGE 13)

John R. Freeman, Factory Mutual Leader, Dies at 77

John R. Freeman, who since 1896 had been president and treasurer of the Manufacturers' group of factory mutual companies of Providence, R. I., died in Providence at the age of 77 after an illness of only two days. Funeral services were held Sunday. Two sons, Hovey T. Freeman and Clarke Freeman, are vice-presidents of the Manufacturers' group, which consists of the State Mutual, Enterprise, American, Rhode Island, Manufacturers and Mechanics.

Mr. Freeman had been active up until the time of his death. Only a month ago he had instituted certain underwriting changes to comport with present economic conditions. Last December a volume of some 900 pages, "Earthquake Property Damage and Earthquake Insurance," of which Mr. Freeman was the author, was published. He was a great worker throughout his life, for many years leaving his home at 6:30 a. m. and often laboring far into the night.

Mr. Freeman was born at West Bridgton, Me., in 1855. He graduated from the Massachusetts Institute of Technology and since then has received many honorary degrees from universities in this country and Germany. After graduating from college, he was connected with a water power company at Lawrence, Mass., and became principal assistant engineer. In 1886 he became engineer and special inspector for the factory mutuals, continuing on a half time basis for about 10 years, meanwhile conducting many researches for the improvement and standardization of fire prevention apparatus and devoting time to a consulting practice largely in problems of water power, municipal water supply and factory construction.

In 1896 he joined the Manufacturers' group of mutuals. In 1923 he was awarded the gold medal of the American Society of Mechanical Engineers.

At one time he declined the professorship of civil engineering in Harvard university. He was also asked if he might be considered for the presidency of the Massachusetts Institute of Technology. This he declined. Throughout his career he served on many public commissions interested in water power questions. In addition to his interest in hydraulic research, he became interested in earthquake damage and promotion of earthquake resistive construction after the

National Agency Leaders on the Wing in Various States

ADDRESSES ARE SCHEDULED

Past President Goodwin Has Been Holding Conferences With Officials in the East

NEW YORK, Oct. 12.—Following adjournment of the annual convention of the National Association of Insurance Agents at Philadelphia, Past President P. H. Goodwin, as chairman of the fire conference committee, and as a member of the surety and casualty conference committees, has been in the east, holding informal conversations with different company executives as to the more important problems before the agency fraternity. For various reasons it has been impossible to arrange formal meetings thus far. Nevertheless, it is the general belief that much has been gained by the talks by Mr. Goodwin with managers individually, thus paving the way for a more ready understanding of situations when these are taken up later in formal gatherings.

Mr. Goodwin, accompanied by his wife, who has been with him in his journey from San Diego, left for home Tuesday evening, planning to stop en route at Salina, Kan., where he is scheduled to address the convention of the Kansas Agents Association tomorrow.

Other stalwart figures of the National association who will carry its message to different parts of the country within the next week or ten days include President C. L. Gandy, who will speak before the Vermont, New Hampshire and the Connecticut associations at their respective gatherings, Oct. 18, 19 and 20. A. I. Wolff, as chairman of the executive committee, is down for an address at the Indiana meeting this week and at the Illinois association meeting Oct. 21. H. J. Thielen, national councillor from California, is to speak to the Utah association Oct. 15, while members of the Oklahoma association will hear F. T. Priest, national councillor from Kansas, Oct. 21.

Secretary W. H. Bennett will address the Missouri Agents Association Oct. 14.

San Francisco disaster in 1906.

On April 21, 1931, Mr. Freeman was tendered a testimonial dinner sponsored by the Providence Engineering Society.

Chattel Mortgage Clause Is Upheld in Wisconsin

DECISION BY SUPREME COURT

Lower Tribunal's Finding is Reversed in Case Brought Against the Allemannia

MADISON, WIS., Oct. 12.—The Wisconsin supreme court reversed the judgment of Circuit Judge Wickham of Eau Claire, Wis., and dismissed the complaint in the case of John Moe against the Allemannia, in a case which involved the provisions of the Wisconsin standard fire policy regarding a chattel mortgage.

Moe had executed a chattel mortgage on his household furniture in February, 1931, and on April 13, the agent for the Allemannia applied for a policy which was not signed by the plaintiff. No reference was made to the existence or non-existence of a chattel mortgage upon the furniture. Neither agent or plaintiff knew the existence of such a chattel mortgage was material so far as making of contract of insurance was concerned. Upon application the company issued a policy for \$1,500. A fire occurred and destroyed some of the chattel mortgaged and other property. It was stipulated that the value of the property not covered by the mortgage and destroyed by fire was \$375, and the company, subsequent to taking appeal, paid this sum. The trial court gave judgment for the full sum of \$1,054.

Pointed to Chattel Mortgage Provision

The company pointed to the clause of the Wisconsin policy regarding chattel mortgage, providing that the company was not liable for loss or damage to any property insured while under chattel mortgage. The trial court was of the opinion that the situation was saved by provisions of the Wisconsin statutes 209.06, providing "No oral or written statement, representation or warranty made by the insured or in his behalf in the negotiation of a contract of insurance shall be deemed material or defeat or avoid the policy, or prevent its attaching unless such statement, representation or warranty was false and made with actual intent to deceive, or unless the matter misrepresented or made a warranty, increased the risk, or contributed to the loss."

Assured Given Judgment

In applying this section the trial court held that "the statute was intended to afford a remedy in a case of this kind, and that the plaintiff is entitled to a judgment for the entire amount of the loss."

The supreme court held this section applies only to statements, representations or warranty made by the insured, and that no warranty nor misrepresentation was made by the insured. The court held the clause clearly relates to the extent of the coverage and not to the title of the property, and that the insured simply agreed that any incumbered property shall not be within the terms of the policy.

"There being nothing at stake except the right to recover the value of the incumbered destroyed property the complaint should be dismissed."

General Agents Select Atlanta

ATLANTA, Oct. 12.—Langdon Quin of Hurt & Quin, president of the American Association of Insurance General Agents, announces that Atlanta has been selected by the executive committee of the association for the 1933 convention, with headquarters at the Atlanta Biltmore. The dates for the convention will be announced later.

Fuller & Kern of New York City have been appointed metropolitan managers for the Mercury.

THE WEEK IN INSURANCE

Company officials are getting more solicitous as to conditions arising from the numerous small losses that are incurred. **Page 3**

Most companies in the west are now getting delinquent, transferred and new agents to sign a form of agency contract supplied by W. U. A. **Page 3**

Automobile specialists object to plan whereby Western Underwriters Association would take jurisdiction of automobile. **Page 3**

Indiana Association of Insurance Agents holds annual meeting in Indianapolis. **Page 5**

Wisconsin decision on chattel mortgage clause is of interest to companies and agents. **Page 4**

Majority of members opposed to suggestion Insurance Advertising Conference split so separate life insurance conference can be formed. **Page 5**

National Association of Insurance Agents leaders are busy making addresses before conventions of state organizations. **Page 4**

Delinquent agency rule strengthened at annual meeting of Rocky Mountain Fire Underwriters Association's supervisory committee. **Page 4**

Letter to companies from L. M. Lilly, president First Bancredit Corporation, stirs hornet's nest among his competitors. **Page 3**

Detailed program of the meeting of National Convention of Insurance Commissioners. **Page 5**

Commissioner Mortensen of Wisconsin criticizes granting rebates upon reinspection during life of the contract. **Page 27**

Program is announced for the annual meeting of the Illinois Association of Insurance Agents. **Page 10**

J. V. Rathbone, Continental Casualty, tells how agency managers can help put accident insurance on paying basis. **Page 35**

Large casualty companies are slow to answer questionnaire of New York department as to compensation acquisition costs, largely due to heavy work of collating data. **Page 35**

New York superintendent approves title "Board of Aviation Underwriters" for permanent group. **Page 35**

New York metropolitan bonding department of New Amsterdam Casualty and home office bonding department of United States Casualty combine, with Mobley and Duke as resident vice-presidents. **Page 35**

Indiana Agents in Annual Convention

Many Achievements of Year Reported at Indianapolis by President Coquillard

PLAN MEMBERSHIP DRIVE

National Chairman Wolff, Councillor Jenkins and Irving Williams of "Rough Notes" Chief Speakers

NEW OFFICERS ELECTED

President—Fred H. Jannasch, Gary.
Vice-president—Ralph G. Hastings, Washington.
Treasurer—J. Gilbert Martin, Scottsburg.
Chairman board of directors—Glen B. Woodward, Bloomington.

By IRVING WILLIAMS

Following a luncheon meeting of officers and directors, the annual meeting of the Indiana Association of Insurance Agents opened in Indianapolis Monday afternoon with reports of officers. President Alexis Coquillard of South Bend reported some achievements of the year, saying the association was entitled to credit for assistance in preventing the raising of compensation rates on existing policies, having been one of the first to protest.

A clean membership slate was reported, all having paid dues. Forty-six new members joined in the year. He appealed for interest in the association "to save your own business and fight your battles during these trying times." He urged local board activities.

National Councillor Speaks

Atwood Jenkins of Richmond, national councillor, said the greatest accomplishment during the year was the agents' apparent recognition by the companies in formation of the Executives Insurance Association and selection of P. L. Haid as president. He reported that some state association officials have gained the idea from statements made at the Philadelphia convention that some of their duties have been assumed by the state national councillors. He said it was emphatically stated there that this was not the intent but that the councillors were for the purpose of bringing the National association and state associations in closer touch and cooperation.

Some subjects dealt with through the council and company representatives during the past year were reduction in commissions on farm business, agency contracts, modification of the use of company bulletins, National Board advertising, improved use and occupancy forms, automobile clubs, automobile insurance rates, the best method of dealing with chain store insurance, refinement of the new supplemental contract smudge coverage and compensation rates and commissions.

Tribute to Coquillard

D. H. Swadener, chairman of the membership committee, paid tribute to the tireless efforts of President Coquillard. Reports by the grievance and legislative committees were submitted by Chairmen D. H. McGill and E. W. Hoover, respectively.

Monday afternoon, on the topic, "Open Season for the Premium Dollar," Irving Williams, editor of "Rough Notes," presented a number of effective premium collection plans and explained some finance plans.

The complete collection plan begins (CONTINUED ON PAGE 8)

Announce Program of Commissioners' Meeting in Texas

DALLAS, Oct. 12.—The complete entertainment and official program for the meeting of the National Convention of Insurance Commissioners has been announced by State Chairman R. B. Cousins, Jr., and Judge Tom L. McCullough, chairman of arrangements for the entertainment of the commissioners in Dallas.

The program follows:

DALLAS MEETING

Monday, Oct. 17

Invocation, Bishop Harry T. Moore.
Welcome address on behalf of Texas, Governor Ross Sterling.
Welcome address on behalf of Dallas, Mayor Charles E. Turner.
Response, W. A. Tarver, Texas Commissioner.
President's annual address, Charles D. Livingston, Michigan.
Secretary's report, Jess G. Read, Oklahoma.

Address, "The Evil of Interlocking Investments and Directorates of Stock Life Insurance Companies, and the Remedy," S. A. Olsness, North Dakota.

Discussions: J. B. Thompson, Missouri; W. H. Bakes, Idaho.

Entire afternoon given over to committee meetings.

Tuesday

Address: "Assets of Insurance Companies," E. Forrest Mitchell, California.
Discussion: G. A. Bowles, Virginia; G. D. Riley, Mississippi.

Address: "Are Market Values and Liquidation Values Always the Same?" J. C. Kidd, Indiana.

Discussion: Sam B. King, South Carolina; A. D. Dulaney, Arkansas.

Tuesday, 2 p. m., executive session for commissioners only.

GALVESTON MEETING

Wednesday

Guests of Houston and Galveston Insurance Fraternity.

Thursday Morning

Address: "Insurance Administration as a Public Service," G. S. Van Schaick, New York.

Discussion: H. J. Mortensen, Wisconsin; W. C. Walsh, Maryland.

Report: C. W. Hobbs, National Convention of Insurance Commissioners representative on National Council on Workmen's Compensation Insurance.

Report of committees.
Miscellaneous and announcements.

Thursday—2 P. M.

Reports of committees.
Election of officers.
Adjourn.

ENTERTAINMENT FEATURES

Monday noon—Ladies will be entertained at style show and bridge luncheon, Dallas Country Club.

7 p. m.—Cabaret dinner dance and entertainment for all commissioners and guests at the Dallas Country Club.

Tuesday noon—Joint luncheon of the Kiwanis Club and Chamber of Commerce. Speaker: G. S. Van Schaick, New York.

Tuesday evening—Commissioners and guests will be entertained at special amateur rodeo and barbecue dinner at state fair grounds.

Leave on special train at midnight.

Wednesday morning—Guests of Houston insurance fraternity, breakfast, Rice Hotel. Entrain for Galveston 10 a. m.

Wednesday afternoon—Entire party will be taken on the U. S. battleship "Saranac" for a trip into the Gulf.

Wednesday evening—Dinner dance at Buccaneer Hotel.

Thursday noon—Luncheon at home office American National Life.

Chairman Wolff of Agents in First Official Address

TALKS TO INDIANA AGENTS

Lays Stress on Solving Casualty Problems, Taking Active Part in Organization Work

Allan I. Wolff, of Chicago, chairman of the executive committee of the National Association of Insurance Agents, spoke Tuesday at the annual meeting of the Indiana Association of Insurance Agents in Indianapolis, his first official address since his election at Philadelphia.

"Dangers often are a blessing in disguise," he said. "Men rally to a standard when there is danger. An issue is required to build a live association." The strength of state associations and the National association will develop with the number of local boards that are established, he said.

Conditions in fire insurance are fairly well handled by local boards, but the time has come to turn attention to solving some casualty problems that have developed through letting the casualty business run wild, according to Mr. Wolff.

Attendance Is Important

He urged a large attendance at the mid-year conference of the National association which, he said, would likely be held at a point convenient for Indiana agents.

He declined to discuss the automatic cancellation clause on which there is sharply divided opinion. He spoke in high praise of the work being done by James L. Case and his committee on this subject, and, as the final report of the committee has not yet been made, he advised withholding discussion, but recommended heavy thinking.

He referred to his chat Monday in Chicago with Percy H. Goodwin, past president National association, who is still actively working on conference problems. "Slowly," he quoted Mr. Goodwin as saying, "but I think surely, we are getting onto better ground."

The interdependence of small and large town agencies was stressed. Large city agents are making a big mistake if they are uninterested in state and national association activities, Mr. Wolff said.

Takes Up Several Issues

He discussed branch offices briefly, expressing his belief that it is necessary to recognize the two sides to the question, and that companies will be found ready to cooperate in due time.

"I think we have done all the resolving on branch offices we need to or should do," he said. "We've got to map out a definite program on that subject and I believe most companies will meet us on common ground. I believe they are as concerned, more concerned, than we. I believe few casualty companies will contend that the English system is less expensive than the American system. Live agents will continue to demonstrate that the American agency system is the best way."

"Economic facts will finally be the determining factor in the question. If we're wrong the American agency system will die. Every company has a right to elect and select the system on which it may operate."

"Separation" Is Difficult

It would be hard to adopt a "separation" plan for meeting the problem, he pointed out, as he said he did not know of a fire or casualty company operating extensively which does not have a branch office somewhere.

"Fire companies today more seriously than ever are seeking to reach a solution with us," he declared. "Not unlikely the next six months will see the closing of some fire branch offices at certain sore spots."

Project to Split I. A. C. Opposed

Majority of Members Consider Action Unnecessary in View of Group Plan

SEND NO QUESTIONNAIRE

Mills' Proposal at New York Meeting for Poll of Opinions Not Acted Upon

NEW YORK, Oct. 12.—A number of insurance newspapers, including THE NATIONAL UNDERWRITER, erroneously reported last week that a questionnaire is to be sent out by the Insurance Advertising Conference to determine whether the members wish to have the organization split into two separate units. Such a recommendation was made by B. N. Mills, Bankers Life, who presided at the meeting as president but no action was taken upon it.

At the present time, the I. A. C. has 40 members representing fire and casualty companies and 69 members representing life companies. At first glance this numerical difference in membership might make it appear that the conference is represented by many more life companies than fire and casualty.

Group Representation Noted

As a matter of fact the 40 fire and casualty members represent over 200 companies for the reason that most all of the fire and casualty companies operate in groups and an advertising manager of a fire or casualty company usually represents a number of companies instead of one as is always the case in life insurance.

For the past few years there have been some life members of the conference who feel that the life members might be more satisfactorily served if their organization consisted of only representatives of life companies. These members have made some effort to have the conference divided into two separate organizations, one for life men only and the other for fire and casualty. They have never, however, been in the majority.

Last year following the annual meeting of the I. A. C. at Toronto an effort was made to organize an advertising division of the American Life Convention but nothing came of the effort. At this year's meeting of the conference in New York, there were a few life members who still expressed themselves in favor of a split-up but the great majority wanted no such action taken and would not even vote on the proposal that a questionnaire be sent out to determine whether a change be made in the present makeup in the conference.

At the annual meeting of the conference it is the custom to hold one or two joint sessions but a majority of the gatherings are of the group variety. That is, during most of the meeting the life men hold their own sessions as do the fire and casualty members. In this way both groups have all of the time they need for discussions of their own problems but they also are able to hold one or two joint sessions where they can discuss problems of common interest.

Now that the conference elects separate sets of officers for the life and the fire and casualty groups it is believed that all of the benefits of separate organizations have been achieved without actually breaking up the conference, which in the opinion of a majority of its members would not be desirable.

THE SATURDAY EVENING POST

WATCH YOUR FURS



THIS WINTER, when few owners can afford to lose them, furs will be more subject to thievery. Prudence insists that they be insured with a dependable company. An Alliance Fur Floater Policy covers theft, fire and all other risks while you are wearing them, shipping them or storing them. Responsible people will find the rates too low to deny themselves this protection.

Ask your
ALLIANCE

Big Taxes on Big Bu.
—the biggest tax paid by

Written on the back of a... is a figure which largely... spending capacity of the... York. First, there is the... of assessed valuations... 660,764. That is design... sum that would change... parcel of New York re... to be sold by a willing... ling buyer. A part of... 750—represents property... taxation. Even so, the... tal is a fabulous sum—\$1... Still, if you had that m... wanted to buy New Yo... be doomed to disappoint... value would increase ten... fore you could find all the... if every real-estate agent... were in your employ... growth of values is a sort... that has enabled the city... solvent concern desiring... Last year saw a shrinkin... of all sorts of commodi... erty, including real e... real estate of New Y... worth \$603,000,000 in... worth in 1931, and in 1... \$1,070,000,000 more th... normal increase since... excess of a billion doll... \$1,542,000,000 in 1927... question, I think, the g... producing organism on... the creation of that was... the effect of the whole of... which are paid for by tax... Let us see. The land on... Empire State Building sta... second at \$14,000,000 and th... on this land in 1931 was... The building itself was not... till this year, because it was... pleted until a date so late in... to give it tax exemption for... This year its owners will pay... sum into the city's revenues for... various forms of protection an... other municipal services which... building's tenants enjoy. Would... building be worth as much as the... at which it is appraised if it were... the subway which have been... with anything if there were n... adequate supply of water, if... were to sever and if there w... streets on three sides of it? Oth... it would not be worth the price... materials in it if it were not a p... the organization roots. The great... of land values in New York... to be accounted for by insur... factors, but when you say "i... of its people are responsible... tremendous development in r... values. The bridges, flung ac... rivers, the policemen, firem... teachers, health officers, a... street cleaner, all contribut... values.

An entering wedge for Alliance Agents among good prospects for larger coverages.



THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA

Head Office: 1600 Arch Street, Philadelphia

CHICAGO
209 W. Jackson Blvd.

SAN FRANCISCO
231 Sansome Street

NEWS OF THE COMPANIES

Roberts & Co. in Full Charge

Becomes United States Managers of Union of Canton Succeeding Marsh & McLennan

NEW YORK, Oct. 12.—There will be no change in the underwriting policy of the Union of Canton, following the appointment of W. J. Roberts & Co. of this city as United States managers for the corporation, in succession to Marsh & McLennan of Chicago. Roberts & Co. has had the direction of the fire branch of the Union's business here for two years, while Mr. Roberts personally has represented its marine interests since 1919. Since the reentry of the Union into the eastern fire field in 1931, it has operated conservatively, appointing agencies only in the more desirable states and there will be no departure from this practice. The immediate handling of the fire line is in charge of W. L. Maillot, who has had managerial and field experience covering a considerable section of the country. The Balfour, Kessler Agencies of San Francisco will continue to represent the Union on the Pacific Coast, while Cravens, Dargan & Co. of the same city will likewise maintain their representation of the Allied Underwriters of the Union.

Marsh & McLennan were appointed United States managers of the Union when it entered this country for fire insurance in 1918. Marsh & McLennan continued to hold that title even though in 1927 the Union reinsured its fire business east of the Rocky Mountains and for several years confined itself largely to marine business on the coast. Part of this business on the coast was transacted by the Balfour, Kessler Agencies of San Francisco and part by Marsh & McLennan of San Francisco. Marsh & McLennan of San Francisco sold their general agency business to Cravens, Dargan & Co. recently.

J. A. Blainey with the Sussex

James A. Blainey, former president of the Cosmopolitan Fire of New York until it was taken over, has become supervisor of agencies of the Sussex Fire of Newark, N. J., with headquarters at the home office. Mr. Blainey is well known in the insurance field. His first attention will be the development of the agency plant in the middle west.

Mr. Blainey has been in the field and established a capital record both as a business producer and as an underwriter. Of a pleasing personality, he makes friends readily among men of the worthwhile stamp. Vice-President A. H. F. Schumm also had the advantage of field experience, having traveled in the eastern territory for the Caledonian, later becoming assistant United States states manager for the company, which post he resigned to assume his present connection with the Sussex Fire in 1928.

Associated Reinsurance Report

Premiums earned by the Associated Reinsurance of the Great American group since its organization in September, 1928, until Dec. 31, 1931, amounted to \$1,670,558 according to the report of an examination by the New York department. Losses and expenses incurred amounted to \$1,859,638, resulting in an underwriting loss of \$189,080. There was an investment gain of \$143,590, which left a net loss of \$45,489 on underwriting and investments. There was a net gain to surplus during the period of \$434,510. Surplus paid in was \$600,000 while dividends declared were \$120,000.

Total assets as of Dec. 31, 1931, were \$1,536,163 on the basis of convention

values. Unearned premiums amounted to \$610,528, capital \$400,000 and net surplus \$434,510.

Allstate Licenses Not Renewed

The Kentucky department has failed to renew licenses of the Allstate Fire and Allstate Casualty of Chicago, Sears, Roebuck & Co. affiliates, because of methods employed in soliciting and handling business in Kentucky not meeting the requirements of the Kentucky resident agents act and other statutes. Similar action was taken not long ago by the West Virginia department.

The Allstate companies recently entered Georgia and Tennessee.

Company Notes

The **Lititz Agricultural Mutual** of Lititz, Pa., and the **Atlantic** of Dallas have been licensed in Ohio.

Directors of the **Standard Fire** of New Jersey have declared a quarterly dividend of 37½ cents per share.

The **Equitable Fire Underwriters**, Kansas City reciprocal, has been licensed in Arkansas.

Changes in the FIELD

Leonhard to Fireman's Fund

Special Agent of the National in Wisconsin Will Assist State Agent Borst

F. D. Leonhard, special agent of the National of Hartford group in Wisconsin, has been appointed special agent of the Fireman's Fund group to assist State Agent G. E. Borst, with headquarters at 828 North Broadway, Milwaukee. Prior to the retirement of State Agent R. J. McIntyre, Mr. Borst covered part of the state for the Fireman's Fund as state agent. He now has the entire state and will be assisted by Mr. Leonhard.

Sydney Smith

Following the transfer of Special Agent A. I. Woods of the Fireman's Fund from eastern Massachusetts to western Massachusetts and Connecticut, where he assumed additional authority, Sydney Smith has been named his successor in the former field. Mr. Smith has been with the organization for several years as a rating and service engineer. He will maintain headquarters at the Fireman's Fund office in Boston.

Merrill L. Wanvig

Merrill L. Wanvig, who has been state agent for Minnesota for the National Liberty for 10 years, has been appointed Minnesota special agent of the Massachusetts Fire & Marine of the Great American group with headquarters in the Security building, Minneapolis.

F. C. Williams

F. C. Williams of Sheridan, Wyo., state agent of the North America, has gone to Denver temporarily to supervise the mountain field until the company decides what it will do toward appointing a permanent state agent.

Falls Talks in New Orleans

NEW ORLEANS, Oct. 12.—Laurence E. Falls, vice-president American of Newark, was the first lecturer in the new insurance course which started here today, sponsored by the Louisiana Blue Goose. Mr. Fall's topic was the "Principles and History of Insurance."



Women Are "At Home" To Camden Agents

It is well worth any agent's time to talk insurance to a housewife, to sell a policy carrying one percent in premium, and to sow the seed for a family's entire fire insurance. That is just what Camden agents are doing regularly this month.

How do they find the prospects and create an interest? They mail the folder pictured here, accompanied by a letter. It tells the woman that her furs are lovely and conspicuous

and desirable and perishable. It points out that insurance usually costs one half of moth protection. It insists upon the agent's capability. Of course the woman is "at home" to him.

The Camden Fire backs up its agents with a simple honest policy that any man is glad to sell and any woman is glad to buy. Write for a copy of this "fur folder". Ask about your chance of being part of the Camden Fire.



Write for a copy of this "fur folder". Ask about your chance of being part of the Camden Fire.



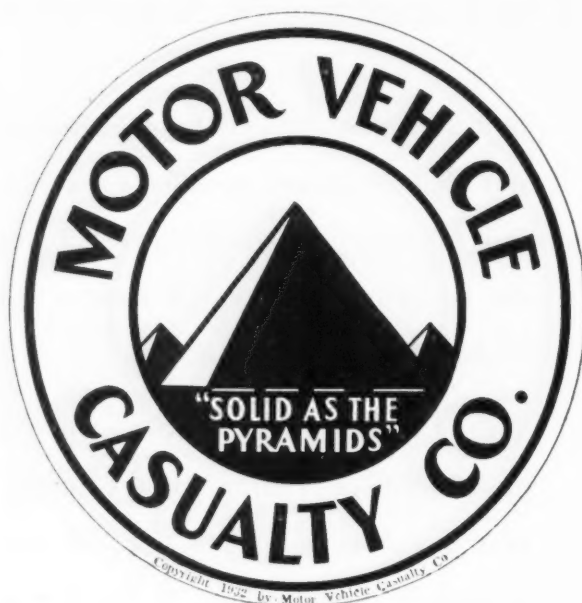
**CAMDEN FIRE
INSURANCE ASSOCIATION**
Camden, N. J.

The Camden Fire has operated conservatively and written sound Insurance since 1841

Tested

• This organization during the last seventeen years has successfully passed through two great panics and two great depressions.

• Today this company, which ranked fourth among all stock casualty companies in automobile premiums in Illinois for the year 1931, is in its strongest position to furnish sound, stock company automobile protection at independent rates.



MOTOR VEHICLE CASUALTY COMPANY

223 W. Jackson Blvd., Chicago, Illinois

A STOCK AUTOMOBILE COMPANY

ILLINOIS AGENTS:
Desirable territory open outside Cook County. It will pay you to investigate.

Indiana Agents in Annual Convention

(CONTINUED FROM PAGE 5)

with adoption of a sound credit policy before the premium dollar is entered on the agency's book, he said. "To be a good salesman is not enough to win success," he said. "It is necessary to be discriminating in selling."

As a good collection routine, he offered:

"1. Make out invoice, to be delivered with policy.

"2. On the first of the month following, make out statements in duplicate, sending original order to the customer.

"3. File carbon copies of statements in alphabetical order and, as remittances are received, pull out carbon copies.

"4. On the 15th or 20th, mail carbons remaining in file, with a courteous note or printed slip pasted to the statement, explaining the agent's obligations to his companies and the necessity of prompt payment.

"5. On the following first of the month make out another set of statements in duplicate, sorting out those accounts more than a month past due for special attention.

"6. Follow up these past due accounts in person, by telephone or through a series of letters, gradually increasing in urgency."

An open discussion of collection plans was led by W. A. Streeter of Terre Haute, chief interest centering upon premium financing. J. W. Kirkpatrick of Muncie reported success with a plan of his own devising, the Morris Plan bank being used. The idea is not adopted for all the business, but principally slow accounts.

Various Methods Developed

Atwood Jenkins said his agency does some financing of its own, having worked out a plan as an accommodation to customers. Twenty percent is collected with delivery of policy. Payments are made at the office on the first of the month and if not made the policy is cancelled. No notes are signed.

"When I came into the local agency business I found to my sorrow a competitive feature was the extension of credit," said F. A. Tedford of Lafayette. The banks were the worst offenders, he said.

O. W. Johnson of Marion described a simple plan used by his agency which gets good results. He offers to let a customer finance his insurance premiums as he does payments on his automobile.

Discussion of the proposed automatic cancellation clause for fire policies followed. The prevailing attitude was favorable and it was recommended that the legislative committee examine state statutes to see if there would be need of an amendment to make use of the clause legal in Indiana.

Urges Membership Drive

H. E. McClain, of Shelbyville, talked briefly on "Reflections of a Local Agent." He urged greater interest in building a larger membership and recommended a membership drive by congressional districts. With a leader in each congressional district and a director in each county, he believed a strong membership campaign could be put on. Mr. Kirkpatrick endorsed this suggestion and pointed to Louisiana, where a similar plan is operated, as the best organized state in the Union.

M. E. Decker of Brazil commented on the difficult business conditions in that district and told of some of the problems of financing policyholders' premiums.

A. P. Perley of South Bend said if local agents knew how hard the National association is fighting their battles no member would object to paying dues.

Mr. Jenkins told of an effective plan his agency is using to sell compensation policyholders on the necessity for the recent rates increase. A list of compensation underwriting experience of eight leading companies for eight years

was made, and the heavy loss shown is convincing to customers. Not a line was lost where the figures were presented.

President Coquillard announced the following committees: Nominating: J. G. Martin, Scottsburg, chairman; A. L. Jenkins; A. P. Perley; Ralph Hastings, Washington; F. A. Tedford; F. H. Jannasch, Gary, and O. W. Johnson, Marion. Resolutions: J. W. Stickney, Indianapolis, chairman; Harry McClain and J. W. Kirkpatrick.

A dinner dance and entertainment Monday evening was sponsored by the Indianapolis Board.

President Coquillard opened the Tuesday morning session with comments on committee reports. The association had 245 members Sept. 1 with dues paid in full.

Jenkins Takes the Floor

Atwood Jenkins, national councillor, expressed regret that there was so little association interest in Indiana as evidenced by the comparatively small attendance. He reiterated a previous statement that "if companies would refuse to appoint, or continue, an agent who was not sufficiently interested in the business to belong to his trade organization, more than 50 percent of our difficulties would be solved." He quoted the endorsement of agency organizations made by P. L. Haid, president Insurance Executives Association, at Philadelphia. "The agent who does not join his organization is simply drifting along with no thought of the present or future good of the business," he said, "and is usually appointed for some lines of business with which he happens to have some influence. His appointment carried no obligations on his part except that he pay his balances when due, and even if he does not do this he rests serenely in the knowledge that when his agency is taken up he can get another." He said it is made too easy for one to be appointed as an agent and that what costs but little effort is not greatly valued.

Urges Safety Movement

O. W. Johnson, of Marion, speaking on "Problems Confronting the Agent," referred to the experience of agents during the past year and a half with the several changes in automobile rates. As one way to meet cut-rate competition, he recommended an active interest on the part of agents in traffic problems and the using of their influence to help reduce traffic casualties, thus building up good will for their agencies as well as performing public service.

A message was read from Commissioner Kidd of Indiana, expressing regret at not being able to attend. He left Monday to attend the annual meeting of the commissioners in Dallas. Telegrams were also read from President J. B. Levison of the Fireman's Fund, and President C. L. Gandy of the National Association of Insurance Agents.

Resolutions Submitted

Mr. Kirkpatrick of the resolutions committee submitted three resolutions, commending the statement of President P. L. Haid of the Insurance Executives Association, endorsing agency organizations, commending activities of the National association and for a vote of thanks to retiring Indiana officers and the Indianapolis association for their hospitality.

Mr. Martin reported for the auditing committee the books were in balance. Mr. Tedford referred to codification of state insurance laws now in process as "a crisis" and said it will need the support of all insurance interests to secure passage. He also expressed the wish that the next annual meeting be held in Bedford.

The new president, Mr. Jannasch, spoke briefly and pledged his best efforts for the good of the association.

The Trimble Insurance Agency, Devils Lake, N. D., has been incorporated. Oron and Helen Trimble and D. B. MacDonald are directors.



Send your message

by POSTAL TELEGRAPH

• Insurance men this year are using Postal Telegraph because the Postal Telegram always goes directly to the man it is intended for...gets his attention immediately...urges him to act promptly.

And they rely on Postal Telegraph also because it is always fast—always accurate—always dependable...because it reaches 80,000 places in the United States and Canada through a vast organization whose single purpose is to see

every message through, without fuss or bother or delay...and also because it provides a written record of every message for future reference.

So, today... use Postal Telegraph to contact prospects who should be policyholders, and policyholders whose insurance is in danger of lapsing or who are in line for re-insurance. Use it to reach *everybody* from whom you want *quick* action.



Postal Telegraph is the only American telegraph company that offers a world-wide service of coordinated record communications under a single management. Through the great International System of which Postal Telegraph is a part, it reaches Europe, Asia, The Orient over Commercial Cables; Central America, South America and the West Indies over All America Cables; and ships at sea via Mackay Radio.

**With the
POSTAL
TELEGRAPH
"Book" Plan**

you can contact a large number of people with a single message in a mere matter of minutes. Just ask for a Postal Telegraph Representative.

T H E I N T E R N A T I O N A L S Y S T E M

Postal Telegraph

Commercial
Cables



Mackay Radio

All America
Cables

New York Exchange Takes Up Ruling on Marine Risks

NEW YORK, Oct. 12.—Approving a recommendation of the executive committee to that effect, members of the New York Fire Insurance Exchange at their meeting Tuesday authorized the appointment by President Maxon of a special committee to consider the "ruling in the matter of marine transportation powers" by Superintendent Van Schaick Sept. 30, "including reference to its relation to the present rules of the exchange."

Changes in existing rules of the body determined upon include the issuance of a divisible contract clause for rolling stock of traction properties specifically insured under schedule by car number and amount; amendment of the term rule governing the writing of sprinklered risks to permit the granting of term contracts and changing the general minimum rate and non-manufacturing base rate for tug boats from 75 cents to \$1.50.

There are, it developed, a number of serious discrepancies between the rules of the exchange and the recent ruling of the insurance department concerning the powers of marine companies, and these will be studied by the special committee with a view to harmonizing them, if possible, or if not, bringing about changes in the rules or in the attitude of the superintendent.

The rule as to sprinklered risks previously in force prohibited the granting of a term cover where two or more tenants were occupants of one risk. As amended the rule now sanctions such procedure, and is in conformity with general practice in the east. In doubling the base rate for tug boats the charge is brought more into line with the hazard and also conforms to the rates required on steam dredges and like class of risks.

P. W. Barnes, it was reported, had signed the exchange agreement as manager of the local department of the Fire Association.

Noted Speakers for Banquet

The General Broker's Association of the metropolitan district of New York will hold its seventh annual dinner at the Hotel Astor, Oct. 25. Judge Albert Conway, former New York insurance superintendent, will be toastmaster and guest speakers will include Superintendent Van Schaick of New York and President Paul L. Haid of the Insurance Executives Association. Nathan Greenbaum is chairman of the dinner committee.

R. W. Simons Resigns

R. W. Simons has resigned as state agent of the Union of Canton. He covers New York, Connecticut and northern New Jersey.

Hold Conference on Farm Fire Prevention on Oct. 19

WASHINGTON, Oct. 12.—The agricultural committee of the National Fire Waste Council will hold a joint meeting in Chicago Oct. 19 with the farm fire protection committee of the National Fire Protection Association.

Farm fires and their prevention will receive the concentrated attention of the fire prevention experts of these committees. Sub-committee reports dealing with a wide range of rural fire prevention subjects will be submitted for consideration and discussion. These will include reports on publicity, legislation, volunteer fire departments, water pressure systems and incendiaryism. It is expected that some of the reports will contain drafts of educational material for subsequent publication, which the committees will go over.

The effectiveness of activities during the year will be reviewed.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

SKIRROW ASSISTANT SECRETARY

Sinclair T. Skirrow, manager of the New York department of the Great American, has been given the title of assistant secretary, but will continue with his present duties. He joined the New York department of the company in 1908 and later was placed in charge of engineering. In 1920 he was made special agent of the suburban territory and returned to the local department as assistant manager in 1925. Early in this year he was made manager of that department.

* * *

W. W. ELLIS WITH BROKERS

W. W. Ellis, who was formerly with the National Board, has joined the Insurance Brokers Association of New York as assistant to the president. He will prepare publicity, organize the general public relations activity and act as liaison between companies and brokers.

Mr. Ellis was once associated with the "Eastern Underwriter." For six years he was sales promotion manager of the Commercial Union and for five years was assistant to the manager of the National Board.

* * *

ADJUSTMENT OFFICIALS CONFER

The departmental managers of the Fire Companies Adjustment Bureau held their first general conference in New York, ending Saturday. The eastern department had a conference prior to the general meeting, W. J. Greer, eastern

manager, presiding. All branch and assistant managers and supervisors of districts attended the large meeting. The executives and departmental managers were on hand. Among those present were B. K. Clapp, general manager southeastern department; K. W. Withers, general manager Pacific Coast; P. J. Deeds, manager Rocky Mountain; President J. B. Hines; Manager T. C. McCurdy and Assistant Manager F. E. Holmes of the Texas department.

General conditions were discussed and plans were adopted to better the adjusting service. The jurisdictional managers made reports on conditions in their respective territories. There was considerable discussion regarding uniformity in office systems, accounting, forms and other details. It is expected by Jan. 1 a number of suggestions made will be put in operation and that economies will be worked out. There will be an equitable system of cost charging for services devised.

There were representatives of the Claims Executive Conference of Hartford, the Eastern Loss Executives Conference of New York, and company men, at some of the sessions.

* * *

CHESTER MADE CHAIRMAN

H. T. Chester, of Chubb & Son of New York, vice-president of the Federal of New Jersey, has accepted the chairmanship of the marine insurance group to help the emergency unemployment relief committee raise funds for unemployment relief this winter.

AS SEEN FROM CHICAGO

CHICAGO BOARD CLASSES

Insurance study classes of the Chicago Board will be opened Oct. 19, starting at 5:30 p. m. in the board auditorium in the Insurance Exchange. These classes are conducted in connection with the Insurance Institute of America. A class is being organized to open at 5:30 p. m. Oct. 17 to make a study of the analytic schedule known as the "Dean schedule." Registration for the Institute classes can be made at the insurance library, the fee being \$10, one-half paid on registration and the remainder on or before Dec. 1. The fee entitles registrant to attend lectures given for the course for which he is enrolled. Part 1, known as the junior class, will be held Thursday evenings between 5 and 6 o'clock, the lecturer being R. T. Nelson, assistant to the manager of the Chicago Board, and will comprise a general discussion dealing with social and economic aspects of the business, various types of insuring agencies, company organizations and associations, hazards, fire protection and prevention, rates, the policy, underwriting, accounting and special features.

Part 2, the intermediate course, will be held Thursday evenings between 6:30 and 7:30 o'clock, Mr. Nelson being lecturer. There will be a detailed discussion of policies and policy forms and clauses, use and occupancy, rent and leasehold, profits and commissions, riot and civil commotion, windstorm and sprinkler leakage, loss adjustments, state supervision and rating. Part 3, the senior course, will be held Wednesday evenings between 5 and 6 o'clock, the lecturer being Chief Engineer J. A. Neale of the Chicago Board who will discuss in detail fire protection and prevention, hazards and the fire insurance map.

The course in the Dean schedule consists of a series of lectures covering origin of schedule rating, its relation to fire insurance, including illustrated slides of standards of construction and fire protection. Practical problems in

schedule rating will be worked out by the students. The class will meet Monday nights for a period of one and a half hours in the Chicago Board auditorium. The fee is \$10.

* * *

INSURANCE CALENDARS ON DISPLAY

An attractive display of NATIONAL UNDERWRITER Insurance Calendars appears this week in the Baldwin Printing & Stationery Company's window in the Insurance Exchange lobby. The calendars are printed in rotogravure and there is a different insurance sales picture for each month.

* * *

PROMINENT VISITORS IN CHICAGO

A. Duncan Reid, president of the Globe Indemnity, was in Chicago this week enroute from the Pacific Coast where he had accompanied J. D. Simpson, general manager of the Royal and Liverpool & London & Globe at its home office, and Financial Secretary P. M. Spence of the Royal group. The two English officials had been to Montreal and went to Chicago where Mr. Reid joined them, going to San Francisco. From Chicago they journeyed on to New Orleans and then to Atlanta.

* * *

PERCY GOODWIN IN CHICAGO

Percy H. Goodwin of San Diego, Cal., former president of the National Association of Insurance Agents and now a member of the executive committee, was in Chicago the first part of this week conferring with Allan I. Wolff, chairman of the executive committee, and other agency and company leaders. He left Tuesday evening for Salina, Kan., where he is to address the Kansas Association of Insurance Agents Thursday afternoon. Mrs. Goodwin is accompanying him. From Salina he will go to his home.

* * *

LIFE MEMBERS' MEETING

The annual meeting of the Life Members Society of the Fire Underwriters Association of the Northwest will be

(CONTINUED ON NEXT PAGE)

San Francisco Rates Reduced for Automatic Sprinklers

SAN FRANCISCO, Oct. 12.—Charges for automatic sprinkler stand-by services which have been as high as \$280 per annum in San Francisco are reduced to a flat rate of \$3 per month following a campaign conducted by the fire prevention committee of the junior chamber of commerce and the parent body aided by the fire department and Pacific Board. The reduction is granted by the newly created public utilities commission which now has charge of San Francisco water facilities. It is anticipated the low rates will greatly encourage installation of sprinkler systems particularly in mercantile and industrial structures of San Francisco.

Birmingham Welcomes Home National President Gandy

BIRMINGHAM, ALA., Oct. 12.—Charles L. Gandy, new president of the National Association of Insurance Agents, was guest of honor at a dinner given in his honor by the Birmingham association last night. President T. Anglin White, after giving an official report on the Philadelphia convention, paid tribute to Mr. Gandy.

Other speakers were Frank N. Julian, president Bankers Fire & Marine, and O. H. Horton, executive secretary Alabama Economy League.

Mr. Gandy will leave Birmingham Oct. 16 for speaking engagements at four state conventions in the New England States as follows: Burlington, Vt., Oct. 18; Manchester, N. H., Oct. 19; Waterbury, Conn., Oct. 20, and Providence, R. I., Oct. 21.

Rickards, Gassed, Recovers

E. L. Rickards, branch secretary at Chicago of the National Automobile Underwriters Association, was one of four passengers of the United Air Lines to be overcome by carbon monoxide gas in the trip Tuesday from Chicago to Kansas City. He was taken to a hospital in Kansas City. His condition is not serious.

About half an hour before the plane reached Kansas City one of the pilots told the passengers to adjust their safety belts in preparation for a landing inasmuch as the going had become rough. Rickards did not respond and he could not be aroused. He regained consciousness, however, when the ship landed at Kansas City, but collapsed in the arms of George McNally who is stationed at Kansas City for the Automobile Protective & Information Bureau. They were to have proceeded to Oklahoma City.

Mr. Rickards travels frequently by air. He had just returned to Chicago after flying to Colorado Springs where his father had died. Mr. Rickards' son is a pilot.

Fire Prevention Posters

Fire prevention posters are being displayed during National Fire Prevention Week in the windows of the Western Union Telegraph Company and in the offices and central stations of the American District Telegraph Company, which is a subsidiary of the Western Union. The central stations of the American District Telegraph Company are open to the public this week, so that the means of discovery of fires in their early stages and how the alarms are transmitted to the fire department may be seen.

Mrs. W. M. Murray Injured

Mrs. W. M. Murray, whose husband is a well known class 1 agent in Chicago, is in a hospital in Erie, Pa., recovering from injuries suffered in an automobile accident near that city. Mr. Murray was in the car but was not injured. They were returning from a business and pleasure trip to the east.

(CONT'D FROM PRECEDING PAGE)

held Nov. 15 at the Hotel LaSalle in Chicago. That was decided at a meeting of the executive committee of the Life Members Society in Chicago Tuesday. The program committee consists of Clarke J. Munn, manager Cook County Loss Adjustment Bureau; Guy A. Richards of Guy A. Richards & Co., Chicago, and Holger deRoode of H. deRoode & Co., Chicago.

The members of the executive committee who were on hand Tuesday were Mr. Munn, Mr. Richards, Frank D. Rogers, independent adjuster of Chicago, and Fred F. Gordon of the Boston and Old Colony in Milwaukee. W. B. Calhoun of Milwaukee, president of the Life Members Society, was also on hand, as was W. J. Sonnen, manager for the St. Paul F. & M. at Chicago, who is treasurer of the society. Mr. deRoode also attended.

TWO MORE AGENCIES JOIN

O. W. Huncke, one of the veteran general agents in Chicago, who has been in the business 35 years and has maintained his office in the Insurance Exchange there throughout practically all the 20 years since it was built, is to become associated with Cramsie-Laadt & Co., Insurance Exchange, effective probably this week. He is relinquishing his general agency for the Massachusetts Bonding. That company probably for some time will not appoint another general agent. In consequence of the need for larger space with this association of the two agencies, Cramsie-Laadt & Co. is preparing to take other quarters in A-1433 Insurance Exchange, which also will permit space for the agency's new life department, representing the Northwestern National Life as general agent, now in separate quarters. Cramsie-Laadt now is negotiating to take additional representation. The members of the agency are W. J. Laadt and F. A. Cramsie. Mr. Cramsie originally was with Critchell, Miller, Whitney & Barbour, and has had 15 years' insurance experience. Mr. Laadt started seven years ago with Trobaugh, Cramsie, Laadt & Co., which in 1930 became the present firm. Mr. Huncke has owned and operated O. W. Huncke & Co. since 1905. He has represented the Massachusetts Bonding approximately a year. Identities of the two agencies will be maintained although the business will be pooled, Cramsie-Laadt & Co. acting as reporting agents.

THREE CANDIDATES NAMED

The nominating committee has selected three candidates for election to the executive committee at the quarterly meeting Oct. 27 of the Chicago Board. They are George R. Roberts of George W. Roberts & Son; George A. Rapp of George A. Rapp & Co., and H. A. Miller, assistant western manager of the North America.

SAFETY EXPERT SPEAKS

Several organizations joined in sponsoring a meeting Oct. 11 in the Chicago Board auditorium, at which J. J. Hall, safety director of the National Bureau of Casualty & Surety Underwriters, gave the fine address which made so great an impression in the Philadelphia annual meeting of the National Association of Insurance Agents. The organizations sponsoring Mr. Hall besides the Chicago Board were the Chicago Agents Association, Insurance Federation of Illinois, Casualty Club of Chicago and Insurance Brokers Association of Illinois.

PROF. FINNEGAN TO BROADCAST

Prof. Joseph B. Finnegan, head of the department of fire protection engineering at Armour Institute of Technology, is delivering two radio talks on fire protection engineering over station WJJD, Chicago, this week. The first is to be given Thursday afternoon from 2:30 to 2:45 and the second Sunday evening from 6 to 6:30. In the first talk, Professor Finnegan will trace the early development of fire extinguishing and fire prevention methods. In the second, he

will give an idea of what is involved in fire protection engineering and of its social and economic significance.

* * *

ADJUSTERS, DEALERS HOBNOB

More than 80 service managers of the Chicago Automobile Trade Association and members of the Automobile Adjusters Club of Chicago gathered at a dinner at the Union League Club in Chicago to promote friendly relationship between the insurance companies and the dealers.

Some time ago a joint committee of the Automobile Superintendents Club of Chicago, Western Loss Association and

Chicago Automobile Trade Association arrived at an understanding aimed at checking the using of parts stripped from stolen automobiles in replacements for insurance companies. One of the features of the agreement was the pledge on the part of insurance companies to refer the repair of stolen automobiles, which are recovered, so far as possible to authorized automobile dealers, who are members of the Chicago Automobile Trade Association.

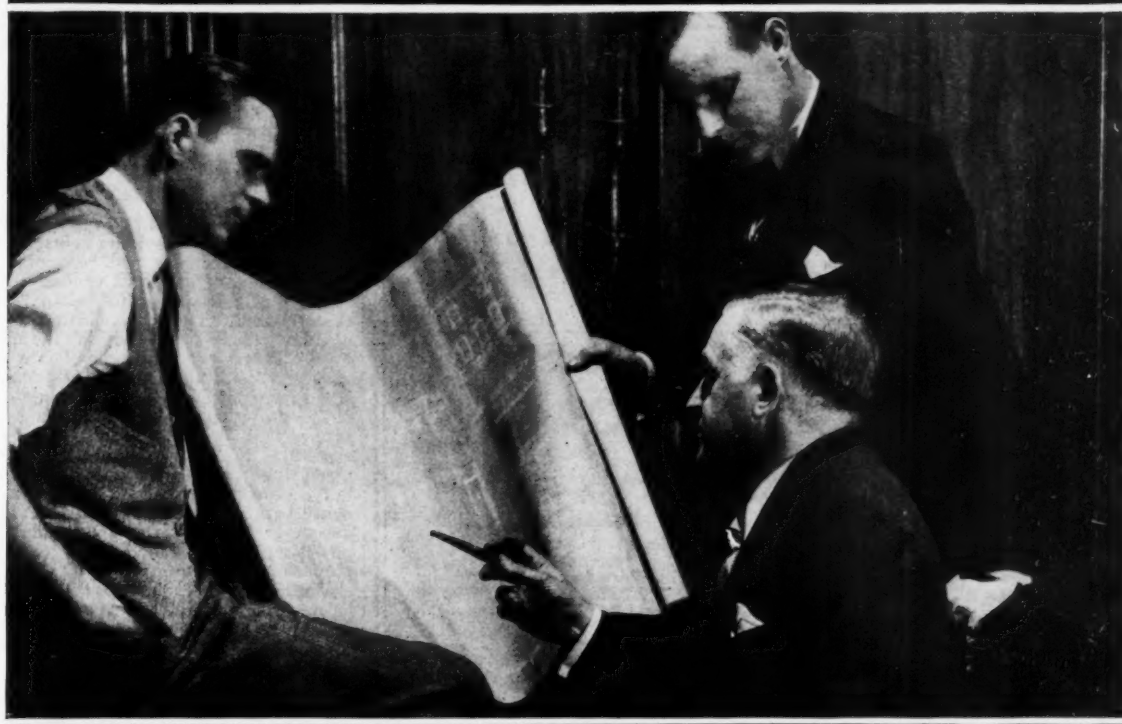
The guests of honor at the dinner were J. W. Burden, automobile superintendent for the Hartford in the west; J. A. McClelland, loss superintendent for the Great American in the west, and R.

E. Dixon, automobile superintendent for the Fire Association in the west. Mr. Burden was chairman of the joint committee representing the Western Loss Association and the Automobile Superintendents Club of Chicago which arrived at the agreement with the Chicago Automobile Trade Association. Mr. McClelland was chairman of the Western Loss Association committee and Mr. Dixon is president of the Automobile Superintendents Club.

FIELD CLUB RESUMES

The Cook County Field Club took action at its first fall meeting this week to continue its study by a special com-

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mittee of five vital field problems: collections, agency agreements, agency financial questionnaire, automatic cancellation clause and premium finance plan. This was on motion of John Ferguson of the Fireman's Fund, chairman of the committee which has been considering the first four questions, who was reappointed head of the committee. Other members of the committee named this week are J. J. Flood, North British & Mercantile, and Hal Hilton, Critchell, Miller, Whitney & Barbour. An entertainment committee to arrange plans for the annual meeting in December was named consisting of L. C. Petterson, Sun; A. H. Wishard, Fidelity-Phenix, and Harry Abernathy, Glens Falls. The arrangements committee for the annual meeting is Jack Bisby, Fred S. James & Co., and Dan Bickheart, Phoenix of Hartford. President John Butt of the Niagara presided and Fred Sargent of the L. & L. & G., one of the charter members of the club, was elected an honorary member upon his request to have his membership transferred to another man in his office.

Many bank closings in Cook county have raised questions as to the exact relationship between agent and company. A new agreement form which sets forth this relationship, particularly regarding funds, was discussed. A finan-

cial questionnaire form of the Western Underwriters Association suggested for use in that organization's territory also was discussed. It is for fire agents to give a detailed financial statement. Collections still are a serious matter in Cook county, and some sentiment was expressed for the automatic cancellation clause.

* * *

GREENBERG BEFORE EXAMINERS

H. M. Greenberg, general adjuster Western Adjustment in Chicago, will address the Chicago Association of Fire Insurance Examiners at the next meeting Oct. 20 on "The Examiner and the Adjuster." The meeting will be at DeMet's in the Board of Trade building.

* * *

PATROL GIVES DEMONSTRATION

The Fire Insurance Patrol of Chicago staged an actual demonstration of its operations at the noon meeting of the Chicago Association of Commerce Wednesday. The stage was set so that the demonstration was under conditions similar to those encountered at a real fire. There was smoke and water.

Supplementing the demonstration, Frank S. Dixon, legislative counsel for the National Board, delivered an ad-

dress: "Smoke, Water and Business." There was a large turnout of insurance men.

* * *

Clem E. Wheeler, associate western manager of the Hartford Fire, left this week for Albuquerque, N. M., and will make a trip through the mountain field.

* * *

C. M. Houseman, formerly in the Illinois field, who prior to that time was an examiner in western offices, has been transferred from the Cincinnati office of the Underwriters Adjusting Company to the Chicago office. Mr. Houseman is one of the veterans in the ranks.

* * *

Randolph Buck of Chicago, manager of the Western Factory, is to spend the next few weeks in Sewanee, Tenn., being accompanied by Mrs. Buck.

Comprehensive Form Change

Reappearance of Replacement and Reduction Clause Noted in I. M. U. A. Contract Effective Dec. 1

A new personal property floater form, usually known as the household comprehensive policy, with a schedule of modified rates, and the creation of a new territory 19 for Texas and assumption of jurisdiction over the contract by the Inland Marine Underwriters Association will become effective December 1. The rates however are approximately the same as those in the tentative rate sheets put out by the I. M. U. A. about 15 months ago when that organization's only jurisdiction under this form was over commissions and minimum premiums.

In the early days of this type of cover there were clauses covering coinsurance, optional replacement and reduction of face because of loss, but general practice recently has been to eliminate all three clauses. The replacement and reduction clauses reappear in the new form. In case of reduction of face because of loss, the face can be restored by payment of an additional premium.

The provision relating to coverage for property of servants or guests has been clarified, protection being definitely given for servant's property while on duty, even while away from the residence with the owner, but not otherwise except in the premises, and protecting guests' property only while on the premises.

Wines, liquors and narcotics have been excepted from the coverage, as is furniture while stored in a warehouse for a period longer than three months. Mechanical breakdown is not covered nor is damage to electrical apparatus caused by electricity, whether artificial or natural, unless fire ensues, and then only for loss of building by the fire.

Three exceptions not found in the old form are: Loss or damage caused by wear and tear, dampness of atmosphere, extremes of temperature, deterioration, moths, vermin, inherent vice or damage sustained due to or resulting from any repairing, restoration or retouching process; loss or damage caused by marring or scratching of any property not specifically scheduled with the description of the article; property on exhibition in fair grounds or on premises of any national or international exposition unless such premises are specifically described in the policy or by endorsement.

Loss or damage resulting from war, invasion, hostilities, rebellion, insurrection or confiscation by any government or public authority, or risks of contraband or illegal transportation and/or trade are excepted. The standard policy however now covers strikes, riots and civil commotion.

Any company owning Fire Agency or any part thereof in Toledo, Ohio wishing to dispose of it please communicate with me. Address W-83, The National Underwriter.

The \$25 franchise clause is excluded from the new form.

In New York it has not been permissible to write this form for some time. The contract also cannot be written in Connecticut, Delaware, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, Pennsylvania, Rhode Island and Vermont.

New Finance Forms Approved

Promulgation to Be Made as Soon as Special Committee Completes Minor Changes

The board of directors of the National Automobile Underwriters Association has approved various forms and clauses for the writing of finance business. They have been referred to a special committee, which prepared the form, for minor changes and the new forms will be promulgated as soon as the changes are made.

Heretofore the finance forms have been advisory. Now they will be mandatory. It is stated that no fundamental changes are involved, the changes from the advisory form consisting mostly of clarification of ambiguities.

The commissions and rates for finance business continue without change.

H. A. Miller, assistant manager of the North America in the west, was chairman of the subcommittee, which prepared the form.

Hopps' Brokerage License Is Revoked by Van Schaick

ALBANY, N. Y., Oct. 12.—The recommendation of Deputy Superintendent Bill that the brokerage license of S. B. Hopps be revoked has been approved by Superintendent Van Schaick. The department, it will be recalled, declined to grant an agents license to Stevens & Hopps to represent the Pearl Assurance of London July 21, though nothing developed at the hearing relative to G. C. Stevens, who is a licensed broker. Subsequently Mr. Hopps was cited to appear to show cause why his brokerage license should not be canceled. The department finds that evidence introduced at the hearing tended to show that Mr. Hopps had "violated provisions of the insurance law; made a material misstatement in applications for certificates of authority; had been guilty of dishonest practices and demonstrated his untrustworthiness to act in the insurance brokerage business." In addition it was found that "he has been guilty of dishonest practices in his attempted concealment from examiners of the New York Fire Insurance Exchange of the true policies and records of an office over which he had supervision."

Insurance Institute Meeting

NEW YORK, Oct. 12.—The annual conference of the Insurance Institute of America will be held at the Hotel Pennsylvania here Oct. 24, at which, in addition to the address of the president and reports from other officers and various committees, officers will be elected and final certificates to graduates awarded.

Lewis H. Small Dies

Lewis H. Small of the agency of that name in Hartford, who was for 34 years with the North America as assistant manager and then New England manager until 1926, died last week, aged 55 years.

Address Pennsylvania Club

G. W. Lilly, manager Fire Companies Adjustment Bureau; W. J. Greer, general manager of its eastern department, and W. Garrison, assistant manager, addressed members of the Pennsylvania Field Club at Harrisburg the evening of Oct. 10.



Fire Association of Philadelphia The Reliance Insurance Company Victory Insurance Company

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Small Losses Are Cause for Concern

(CONTINUED FROM PAGE 3)

sion of loss adjustments, and a constructive criticism of adjustments, will have a tendency to reduce the loss ratio of the country," he averred.

What Mr. Clark deprecated as a "decided backward step," was the apparent unwillingness of present day adjusters to take advantage "of the appraisal clause in policies to the same extent that this was done a decade ago." It would be a very constructive move, in his opinion, "if the companies could come to an agreement whereby they would take the full period of grace allowed by the different standard policies in the payment of all losses where the amount exceeds \$100 in the aggregate for all companies interested."

More Friendly Attitude Seen

In connection with fraudulent loss claims, Mr. Clark was heartened by the belief that there is now a more friendly attitude toward the companies defending such cases, on the part of courts and juries. One of the most effective means of driving the crooked loss claimant out of business, he contended, was to resist payment of such claims to the uttermost, teaching the fire bug "that recovery under a fire insurance policy for a fraudulent loss is a long and tedious journey." Concerted opposition by companies, he maintained, would have "a most deterrent effect upon the operations of a despicable class of criminals."

Lilly's Premium Financing Letter Stirs Hornets' Nest

(CONTINUED FROM PAGE 3)

terest only at 6 percent on reducing balances. Mr. Oppenheimer set up a hypothetical case for purposes of criticism. Under the plan a premium of \$1,000 would be financed by making a down payment of 20 percent or \$200 and for the balance of \$800 a contract payable in eight equal monthly installments would be signed. The first installment of \$100 plus interest on the entire \$800 amounting to \$18, becomes due and payable at the signing of the contract, thus making the actual down payment amount to \$318, which is actually in excess of 30 percent of the premium, according to Mr. Oppenheimer.

Indebted for \$700

"The assured," Mr. Oppenheimer stated, "at the time of signing the contract then becomes indebted to the finance company to the amount of \$700, but he is really getting the use, for the purpose of paying premiums of only \$682. The income on this amount from the assured's standpoint and the finance company's standpoint at the per annum rate of 6 percent (as claimed in the advertisement) is \$13.37. The finance company actually receives \$18 cash in advance amounting, as to the money involved, to 8.0789 percent.

Has Faith in Honesty

"Who pays the finance charge?" Mr. Oppenheimer asked. "This philanthropic plan calls for \$200 down, leaving a balance of \$800 payable \$118 on date of contract, leaving then a balance of \$682. Before the contract could be cashed by the agent, the second and third installments of \$100 each month must be paid, leaving \$482 to be paid by the finance company to the agent. Up to this time, the finance company has received the first payment and interest of \$118, which they have retained for 60 days and the second payment of \$100 which they have retained for 30 days. The interest on this, based on 6 percent per annum, deducted from the cost of carrying \$482 for the five unpaid payments makes a net carrying cost at 6 percent to the finance company of \$5.37. The net retention (I believe this term

can be understood by even the 'snide' finance companies and agents) is 20.117 percent on the actual cash outlay by our 'saviour'.

"Question: 'Who pays the finance charge?' Answer: 'The agent.'"

After 16 years' experience in financing of all kinds, and 20 years in the insurance business, Mr. Oppenheimer expressed the belief that most agents and dealers are honest. He states the agent has several ways of financing his account current. He can collect a premium from the assured; use his own money to advance the payment of the premium for the assured or borrow it from the bank, both of which create a discount on his commission, or he can finance the assured's note to a finance company, such service being paid for by the one who gets the benefit, the assured. These methods are of no concern to the insurance company as long as the account current is paid, according to Mr. Oppenheimer. In the event of cancellation by the assured or through his power of attorney, the company would be equally responsible to the assured whether the account current was paid or not, or whether the agent had financed the account, or the assured had paid the premium in cash.

Mr. Oppenheimer is on the program for the annual meeting of the Missouri Association of Insurance Agents at Jefferson City, Oct. 14.

ATTITUDE OF L. E. FALLS

NEWARK, Oct. 12.—Contrary to the opinion that has gained currency in certain quarters, L. E. Falls, vice-president of the American of Newark, and chairman of a voluntary committee of fire company executives studying the question of premium financing, does not advocate the creation of a financing concern by insurance companies. Instead, in the course of an article prepared a month ago, and in a subsequent address before special agents in Brooklyn, he reviewed the "fundamentals which may be profitably considered by finance companies, insurance companies, and their agents, the observance of which will eliminate much of the unnecessary detail to which such operations are now subject." He spoke appreciatively of the methods pursued by one of the financing companies of the west, which, he says, is seeking to operate on a basis fair to all parties at interest.

Auto Specialists Object to W. U. A. Taking Jurisdiction

(CONTINUED FROM PAGE 3)

can be no question. Under present practice the motor car manufacturers deal with one authorized committee in the making of rates for their respective machines and thereby secure a uniformity of charge, which they feel would not be possible if it were necessary to confer with representatives of four separate governing bodies. It is concluded that if the proposition sought by the W. U. A. be granted, like power will be demanded by the jurisdictional associations of the east, south and the Pacific Coast, and could not consistently be denied them. Such a situation, the automobile manufacturers maintain, would lead to no little confusion and might prove distinctly harmful to the industry.

Of the \$100,000,000 that insureds pay for the forms of automobile cover furnished by the fire companies, approximately 40 percent comes from the central west; a volume sufficiently large, the automobile industry holds, to warrant extreme care in upsetting rating conditions.

Testimonial for Haid

Paul L. Haid, president of the Insurance Executives Association, will be tendered a reception and testimonial dinner by the Bay State club in Boston, Nov. 4.

W. R. Dawson, Jr., of W. R. Dawson Co., Augusta, Ga., is out after an appendix operation.

Mountain Field Delinquent Agency Rule Strengthened

(CONTINUED FROM PAGE 4)

agency rule. There are six association offices whose representatives are not members of the field club. Some members feel that they are at a decided disadvantage, especially in agencies that become financially involved. I believe that is quite correct for the reason that a non-member may take individual action, whereas a member is required to observe the rule. At called agency meetings in some instances there was a marked lack of attendance, and for that reason it was deemed necessary to adopt a rule that would receive wholehearted support."

Governing Committee Attends

In his appearance before the committee President Lehwaldt was accompanied by his governing committee, including Clarence Cobb, Howard Reynolds, Carl V. Rutledge, L. Allen Beck and Raymond Stebbins, secretary. Appearing before the committee in the interest of the rule to compel all field men to affiliate with the field club, also the delinquent agency rule, were Herbert Cobb Stebbins, chairman, Howard A. Reynolds, Carl V. Rutledge and Harry B. Hickok.

There was keen disappointment among local agency leaders when the Supervisory committee indicated a belief that the indiscriminate issue of agents' licenses by the state department is a problem belonging to the local agents themselves. A Denver committee composed of President N. Clinton Steel of the Denver association, Secretary Frank England, Jr., Herbert Fairall and Max Schayer appeared before the committee with an appeal to place the responsibility of curbing reckless use of agents' licenses and to prescribe application requirements which would limit their issue only to agents who legitimately engaged in the insurance business.

Better Service to Public

Mr. Fairall, chairman of the delegation, told the Supervisory committee that the action they sought would have a tendency to reduce delinquencies among local agents. He contended that better service to the insuring public would follow if the issue of licenses were limited to the legitimate agent who is more likely to be insurance-minded and better qualified to give advice. He added that such license control by the companies would increase insurance sales, explaining the incentive to urge a variety of coverages would follow if the legitimate agent were not confronted with a surplus of unqualified agents not awake to their possibilities.

Study Farm Question

The managing committee, in addition to adjusting the rule book of the Mountain States Inspection Bureau to conform to the rules of the Western Underwriters Association, devoted its time largely to the farm question and recommendations to adopt a combined form and application. Under authority of the Mountain Field Club a committee composed of Howard Reynolds, chairman, H. J. Helmkamp and B. M. McDonald, during the past year gave serious study to the subject, hoping to improve the loss ratio in this class and to acquire the desirable farm business, much of which has been going to the mutuals.

The Mountain Field Club's recommendations involved many features of the merit rating system. No action was taken on the proposal, Chairman Avey T. Bailey explaining that the board wished to study the whole subject further before taking action, so it was referred back to the Mountain Field Club committee and the Farm Association for conference and additional history. Chairman Reynolds of the field club's committee probably will go to Chicago late in October to confer with the executive committee of the Farm Association. Mr. Bailey also announced that additional

data probably would shortly be available as a result of recent developments in handling farm business on the Pacific Coast.

Mr. Achenbach was reelected as chairman of the Supervisory committee, and for the managing board of the Mountain States Inspection Bureau, Avey T. Bailey was reelected chairman, and W. B. Flickinger, vice-chairman.

All-Cover Policy Used to Protect Indiana Securities

The 1931 Indiana legislature made it mandatory on the insurance department to carry an all-cover bond covering deposits of securities by insurance companies with the Indiana department. Because of the requirements of the compulsory reserve deposit law affecting life companies of that state, the amount of securities deposited is large, over \$20,000,000 being in negotiable securities, the class affected by this statute requiring insurance. Commissioner Kidd conferred with company officials as to the form of policy that should be used, there being nothing at present on the market that could be adapted to the requirement specified in the statute. It was found that there was a diversity of opinion and so the commissioner has had drafted the form that will be used and this will be issued to companies interested. The policy includes all form of loss "excepting market fluctuations."

Haid Home Loan Director

As representative of the institution of fire insurance, P. L. Haid, president of the Insurance Executives Association, has been elected a director of the Federal Home Loan bank for the second federal district, which embraces New York, New Jersey and the island of Puerto Rico. Its office will be in Newark. F. W. Fort, United States fire manager of the Baltica of Denmark, is general chairman of the Home Loan bank board at Washington, which directs the policies of the district banks.

Many Bound for Dallas

J. A. Beha, general manager, and William Leslie, associate general manager of the National Bureau of Casualty & Surety Underwriters; F. Robertson Jones, general manager, and C. W. Fairchild, assistant general manager of the Association of Casualty & Surety Executives; P. L. Haid, president Insurance Executives Association; J. H. Doyle, general counsel National Board and Lamar Hill, vice-president of the America Fore companies, plan to attend the insurance commissioners' convention at Dallas, Oct. 17-18. While a number will go direct from New York City, others intend going via St. Louis, where they will join the New England and western contingents, traveling to Texas by special train.

Start on Southern Trip

W. E. Hill, assistant manager of the Fire Companies Adjustment Bureau, together with K. W. Withers, general manager on the Pacific Coast, left Wednesday for a brief visit to the southeastern department office of the organization at Atlanta, following which Mr. Hill will return direct to New York City, Mr. Withers continuing on to San Francisco.

A. G. Tyrol in New Post

Arthur G. Tyrol has been appointed special agent of the New York Underwriters for western Massachusetts and Connecticut, succeeding the late James Grover, with headquarters at Springfield. He has been in the field for the Travelers Fire in Connecticut for the past six years.

A. C. McGrew, formerly cashier of the Bank of Howard Lake, Howard Lake, Minn., has taken over the agency formerly held by the Bank of Howard Lake in the name of O. P. Comer.

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Associated
Business Papers



Van Schaick's Potent Utterances

INSURANCE SUPERINTENDENT GEORGE S. VAN SCHAICK of New York is giving us all some constructive thoughts these days. Not only is he ingenious in selecting his subjects and resourceful in their treatment but he has a forceful manner of presenting them. No one can hear the New York superintendent without being impressed with his sincerity and his intelligent knowledge of his subjects. At the Philadelphia convention of the NATIONAL ASSOCIATION OF INSURANCE AGENTS Superintendent VAN SCHAICK did not mince words in giving what he thought should be the proper method to follow in arriving at correct valuations of securities in making up financial statements of companies. He would not be tied irrevocably to the kite of the stock exchange. The stock exchange is pretty much of a weather vane, responsive to any wind that is blowing. Mr. VAN SCHAICK insisted on getting a truer picture. Furthermore he decried competition along comparative lines where the comparisons were different.

At the White Sulphur Springs casualty convention he struck at another phase of insurance and that is the inactivity of organizations and leaders in their failure to accomplish things. Graphically, Mr. VAN SCHAICK said that if all the insurance committees were gathered together, the largest stadium of the country would be required to enclose them. A resolution is passed usually at a meeting and that ends it.

The superintendent rightfully asserted that there are plenty of insurance men in the country, in organizations and out, who have the capacity and ability to do things. There are insurance commissioners who have similar traits. He said that if the progressive and earnest in-

surance men were to cooperate with the earnest and progressive state insurance officials, many evils would be eliminated in six months' time. As Mr. VAN SCHAICK puts it, only talk and a smoke screen will get the business nowhere.

Superintendent VAN SCHAICK referred to incidents of team work in his own state, where the organizations and the department had cooperated to the end that material results followed. Organizations and conferences have adopted rules which are more frequently breached than observed and these, the superintendent said, are worse than no rules at all.

Superintendent VAN SCHAICK urged action of a constructive nature instead of bickering, talking, resolving and fault finding.

While the superintendent did not refer to one of the obstacles in the way of achieving, he no doubt had in mind the suspicion that is ever in the air. Company officials fear one another. Agents fear the companies and the companies fear the agents. If this thin veneer of suspicion could be ripped aside and people look at each other face to face and talk as men to men, then go out and trust one another, many of the disturbing factors in insurance today would vanish in thin air.

We are not sent into this world to do anything into which we can not put our hearts. We have certain work to do for our bread and that is to be done strenuously; other work to do for our delight and that is to be done heartily; neither is to be done by halves or shifts, but with a will; and what is not worth this effort is not to be done at all.—John Ruskin.

PERSONAL SIDE OF BUSINESS

J. R. Prior, assistant secretary of the Standard of Trenton and son of its president, O. J. Prior, is rapidly mastering the principles of the fire business, with which he has been identified since his graduation from Princeton University several years ago. Brought up in an insurance atmosphere, it was wholly natural that he should embark in the line when his college days were concluded.

C. A. Ludlum, formerly vice-president of the Home of New York, is in the hospital at his home town of Jamaica, L. I., having been hurried there to undergo a necessary but fortunately not a major operation.

S. F. Weiser, secretary of the Dubuque Fire & Marine, is a keen sportsman and finds relief from his underwriting duties in hunting in southern California, usually making the trip from Dubuque via automobile each fall. The owner of two extensive ranches, one in the northern and the other in the southern section of California, Mr. Weiser is likewise an authority on fruit culture, in the raising of which he has attained considerable success.

Arthur M. Brown, junior member of the general agency firm of Edward Brown & Sons, San Francisco, suffered a painful injury to his knee this week when he slipped and fell on a highly polished floor. Mr. Brown is getting around, however, with the aid of crutches to attend to his numerous duties which include that of supervisor of the city and county of San Francisco.

W. H. Bennett, secretary of the National Association of Insurance Agents, who will speak before the Missouri association at Jefferson City Friday, will return to St. Louis the next day and join the caravan of insurance commissioners and their satellites who will journey on from St. Louis to Dallas, where the state officials will be in annual convention next Monday and Tuesday. Mr. Bennett will speak at a luncheon Monday before the Dallas Board, the arrangements being made by G. Mabry Seay of Dallas, former member of the national executive committee. On Tuesday evening Mr. Bennett will speak before the Fort Worth Board. From there he will go to Galveston to join the insurance commissioners. Mr. Bennett is attending the meeting of the American Bar Association at Washington this week.

A. D. Castro, president of the Union Trust Company of Honolulu, representing the London & Scottish and Mercury in Hawaii, is spending some time in California with Benjamin Goodwin of Goodwin & Allan, general agents for these companies on the Pacific Coast. Mr. Castro, accompanied by Mrs. Castro, came to the mainland to attend the American Bankers Association convention in Los Angeles, where he was met by Mr. Goodwin.

Dan O. Layton, marine special agent in Kansas for the Home of New York, is the father of a son, Dan, Jr.

Harold M. Grant of San Antonio, Tex., special agent of the Hartford, and Miss Bess Wickliffe Keene of that city have just announced their marriage, which took place several weeks ago.

Oscar A. Morris, an adjuster at Jacksonville, Ill., died at the hospital in his city Friday night. He had been on a fishing trip with some friends. They stopped at noon to cook a meal and his clothes caught fire. He was badly burned. He died from the effects at the hospital. Mr. Morris several years ago traveled for the Springfield F. & M. in

its farm department under the late Charles L. French, state agent. He organized later an automobile mutual at Jacksonville, which failed. He was afterwards special agent of the Western of Fort Scott, Kan. He specialized on losses in Illinois and eastern Missouri, working especially on fire, automobile and casualty claims.

Jay A. King, 87, president and founder of the Western Grain Dealers Mutual of Des Moines, died at his home there Oct. 7. He founded the company 36 years ago and had been president continuously since then. He had been in poor health since August, 1930, when he was struck by an automobile.

C. E. Ford, past president of the Iowa Association of Insurance Agents, has been awarded a service medal by the National Liberty in recognition of over 30 years of service.

William James, son of Walter J. James, well known Cleveland local agent, was killed in an automobile accident Oct. 8. William James was assistant secretary of the James & Manchester Co., of which his father was one of the founders.

Eugene H. Chisholm, who was formerly secretary and director of the Piedmont Fire of Charlotte, N. C., died at his home in that city at the age of 61 after a short illness. He was appointed manager of the Piedmont in 1901 and retired from business two years ago because of ill health.

Although heart complications are reported in addition to double pneumonia, the condition of State Senator Alex Cowan of Port Huron, Mich., prominent local agent and chairman of the Michigan senate insurance committee, is considered slightly improved. Senator Cowan has been in a critical condition for upwards of 10 days. He has sponsored considerable insurance legislation designed to improve conditions in the business and his presence in the approaching legislature is much needed.

E. L. Baker and J. A. MacMillan of the London brokerage concern of Leslie & Godwin are in Toronto after having visited New York, Philadelphia and Chicago. They are surveying the field in the United States and Canada and getting in personal touch with brokers and agents on this side with whom they have relations and companies with which they place marine reinsurance.

Vice-President E. T. Cairns of the Fireman's Fund is on a business trip to Chicago and the east. He will attend the commissioners convention, after which he will visit Atlanta, New York and Boston.

J. N. Chance, local agent of Salem, Ill., has composed this lyric setting forth the terror inspired by the fire alarm and the soothing quality of fire insurance:

When the fire bell rings and the siren blows,
It makes you tingle to your toes.
Can't find your coat, you've lost your hat
And wonder where the fire is at.
You get your shirt on wrong side out,
Your feet are getting cold as kraut;
You hit the bed post with your toes
And smash the door jamb with your nose
And still you wonder where's the fire
Until you getting all hay wire.
Oh gee, oh gosh, where can it be?
I wonder if it's getting me.
If you have let us fix you up,
You're happy as a yearling pup,
No use to worry, fret, or stew,
Insurance will take care of you.
Come in and see us now, today;
You'll find you won't have much to pay.

All losses do not occur on the road. The America Fore Comprehensive Automobile policy covers any loss or damage which may occur. Send for folder on this coverage.

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 THE CONTINENTAL INSURANCE COMPANY FIDELITY-PHENIX FIRE INSURANCE COMPANY NIAGARA FIRE INSURANCE COMPANY
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THE FIDELITY AND CASUALTY COMPANY
 ERNEST STURM, Chairman of the Board
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MONTREAL

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

Norwood Inspection Is Made

Ohio Fire Prevention Association Members Created Much Interest Among Business Men

The Ohio Fire Prevention Association inspected Norwood. About 50 men were present. Unusually close cooperation was furnished by Norwood city officials under the direction of Mayor Baker and Service Director Wiggeringloh. Fire Chief Doherty detailed a fireman to accompany the inspectors. The inspectors were accompanied also by Boy Scouts. Harry Rogers of the Western Actuarial Bureau addressed school children during the day and also talked at the noon luncheon where 230 Norwood officials and business men were present. Others who spoke briefly at this luncheon were Fire Chief Doherty, Mayor Baker, Captain E. J. Ader of Cincinnati Salvage Corps, Ralph Hukill, special agent of the Fireman's Fund and Paul S. Brown, special agent of the Hanover. Ralph Hukill was chairman of the Norwood city committee and for the fire prevention association local arrangements were made by E. A. Winter and Mr. Hukill. Members of the association said that the Norwood inspection and meeting set a standard for efficiency.

The Norwood citizens committee also arranged for a public fire department demonstration which was held Friday. Methods of fire fighting were shown by the department while the evolutions were explained through a loud speaker. Fire chiefs from neighboring cities were present.

Rankin Active at Zanesville

Charles D. Rankin of Rankin & Rankin, local agency at Zanesville, O., is chairman of the chamber of commerce fire prevention committee there. His committee arranged a series of fire prevention meetings. They were addressed

by Engineer Horn of the Travelers office in Columbus. Mr. Horn spent several days in Zanesville.

C. F. Knecht Dangerously Ill

Charles F. Knecht, well known Dayton, O., adjuster, lies seriously ill in a hospital there. Mr. Knecht has been in the insurance business in Ohio for years which extend back into the previous century and is one of the best known insurance men in that state. For several years he has been an adjuster with headquarters in Dayton.

To Inspect Parkersburg, W. Va.

A two-day educational and inspection campaign will be conducted in Parkersburg, Oct. 19-20, by the fire prevention committee of the West Virginia Fire Underwriters Association, at the invitation of the city officials, the fire department and the civic clubs. The chamber of commerce and the Kiwanis, Lions and Rotary Clubs will cooperate in the activity. Boy Scouts will accompany the inspectors in their rounds. Richard E. Vernor, manager of the fire prevention department of the Western Actuarial Bureau, will be the principal speaker at a luncheon meeting. "Smoky" Rogers will put on his "fire clown" act before the children of the first six grades of the various schools.

Ohio Notes

The Eynon-Guthrie Company, Alliance, O., has been incorporated by C. C. Eynon, M. E. Guthrie and J. B. Blumenstill.

David Jankau of Cleveland has incorporated his agency as D. Jankau & Co. David Jankau, who is still active, although in the 80s, is president, and N. L. Weiner, vice-president.

F. M. Sebellin has taken the sole agency in Cleveland for the Transcontinental Fire. He was formerly a solicitor with the W. F. Ryan Co. Mr. Sebellin has applied for Class 1 membership in the Cleveland Board.

Indiana Chief



ALEXIS COQUILLARD
Alexis Coquillard, president of the Indiana Association of Insurance Agents, presided over its deliberations at its annual meeting in Indianapolis this week. Mr. Coquillard is a South Bend local agent.

is clearing up quite a bit. Earl Gibbs of Lansing, Mich., assistant western manager of the Boston and Old Colony, was present. A. R. Rathslag of the Fire Association, president of the state organization, presided.

Kalamazoo, Mich., Inspected

An inspection of Kalamazoo by the Michigan Fire Prevention Association,

sponsored by the Kiwanis Club, disclosed that many electrical wiring installations in the city are in dangerous condition, due largely to lack of electrical inspection. The association recommended that an electrical inspector be appointed or someone familiar with this type of work in the fire department be detailed to clear up the situation.

The inspection was attended by 50 field men under President W. D. Cameron, state agent for the Boston. R. E. Vernor addressed 7,600 school children.

Rogers Is Lansing Speaker

LANSING, MICH., Oct. 12.—H. K. ("Smoky") Rogers, chief engineer of the fire prevention department of the Western Actuarial Bureau, launched Fire Prevention Week in Lansing with a number of talks to local groups, including several thousand high school students. At a luncheon Monday given by the North Side Commercial Club at which he was the main speaker, members of the Lansing Association of Insurance Agents were special guests.

E. J. Ludwig Thanks Members

At the October meeting of the Flint, Mich., Association of Insurance Agents, President E. J. Ludwig expressed appreciation to the members for their part in making the annual meeting of the Michigan Association of Insurance Agents in Flint a success. The secretary reported that there were 239 registered for the convention and that the receipts covered the incidental expenses.

Michigan Notes

R. G. Edmonds, 61, a former partner in a local agency at Lansing, Mich., with the late Hart Row, died at his home there the past week after a lingering illness.

The Universal Agency, Detroit, has been incorporated by Paul J. Keller, Olga S. Keller and Helen Ames. Mr. Keller was formerly secretary of the Republic Automobile, Detroit, for which a receiver was appointed the past year and an officer of the agency organization of Parrish, Roskem & Keller.

STATES OF THE NORTHWEST

Tribute Paid to McIntyre

Testimonial Dinner Given at Milwaukee to Dean of Fireman's Fund Field Men

Fire underwriters of Wisconsin and the midwest paid tribute to R. J. McIntyre, retiring state agent for the Fireman's Fund, at a testimonial dinner in his honor last week in Milwaukee. Mr. McIntyre was the dean of field men of his company, having been on its staff for more than 36 years. He started as Cook county special agent in Chicago before going to Wisconsin, where he served his company with distinction for over 30 years. The dinner was given by the Wisconsin home nest Blue Goose in conjunction with the Wisconsin Fire Underwriters Association.

Busack Pays Tribute

Henry C. Busack, most loyal gander, was toastmaster and paid tribute to Mr. McIntyre for his active interest and effort in behalf of the order. Ernest O. Spink, president Wisconsin Fire Underwriters Association, lauded the guest of honor as one of the faithful old-timers who had long been faithful to the best interests of the field men's organization. As a mark of appreciation, Mr. Spink presented Mr. McIntyre with an honorary life membership in the association. D. O. Stine, Reedsburg, state agent St. Paul Fire & Marine in southern Wisconsin, presented Mr. McIntyre with a

check as a gift to mark the appreciation of friendship to "Bob" McIntyre from old friends.

Among those attending were Samuel M. Buck, manager, and Harvey H. Bush, assistant manager of the western department Fireman's Fund in Chicago. In brief talks they referred to Mr. McIntyre as the oldest living field man in point of service with the company and lauded his tireless efforts, commenting especially on his small loss ratio over the long period of his service. Other speakers included Clark Munn, Chicago, manager Cook County Adjustment Bureau; A. D. Yeaton, western general agent New Hampshire; Fred Barnes, Oshkosh, retired field man for the North British, and W. B. Calhoun, Milwaukee, former president National Association of Insurance Agents.

Madison to Decide on How to Handle City Insurance

MADISON, WIS., Oct. 12.—A recommendation that the Madison board of estimates determine whether the city should carry its own insurance or continue to insure with the stock companies will be presented to the city council Oct. 14 by the special committee which recently voted to place insurance on all city buildings except schools with the stock companies. The state insurance fund was not considered by the committee.

The committee has readjusted the val-

CENTRAL WESTERN STATES

Program of Illinois Rally

State Association of Insurance Agents Has Excellent Program for Annual Meeting

President Rockwood Hosmer of Chicago has announced the details of the program for the Illinois Association of Insurance Agents annual meeting at Quincy Friday of next week. There may be added a speaker on farm insurance for the afternoon session, although this has not been decided. The program is as follows:

Morning Session 9:30

Call to order by the president, Rockwood Hosmer, Chicago.

President's annual address.

Secretary-treasurer's report, S. E. Moisan, Kankakee.

Committee reports—Budget, J. M. Newburger, Chicago; organization, H. J. Leach, Morris; grievance, A. J. Teninga, Chicago; legislative, Alvin S. Keys, Springfield; fire prevention, C. J. Montgomery, Rock Island; casualty and surety, W. Herbert Stewart, Chicago; farm, Mark I. Hall, Belvidere; public relations, J. Ray Lennon, Joliet; automobile, A. H. Mauerman, Jr., Danville; local board, V. G. Musselman, Quincy.

Address—"Conservation of Human Life," John J. Hall, director, street and

highway division, National Bureau of Casualty & Surety Underwriters. New business.

Afternoon Session 1:30

Report of committee on resolutions.

Report of committee on nominations.

Address—C. R. Street, Chicago, vice-president, Great American.

Address—"A Survey of Local Agencies," Jarvis W. Mason, New York, advertising counsel, London Assurance.

Address—Frank C. McAuliffe, chief Fire Insurance Patrol of Chicago.

Address—"General Observations," S. Phil Hutchinson, Illinois insurance department.

Unfinished business.

New business.

Banquet 6:00 P. M.

Toastmaster, Rockwood Hosmer, Chicago.

Address—"Time as a Natural Solvent," W. N. Achenbach, western manager Aetna.

Address—John M. Thomas, president National Union Fire.

Address—Allan I. Wolff, chairman executive committee of National Association of Insurance Agents.

Illinois Field Meeting Held

At the quarterly meeting of the Illinois Fire Underwriters Association much time was taken in discussing balances and mixed agencies. The field men feel that the situation in the state

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CAPITAL

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Organized 1855

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THE GIRARD FIRE AND MARINE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1853

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THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

\$ 600,000.00

Organized 1854

NEAL BASSETT, President

JOHN R. COONEY, Vice-Pres. ARCHIBALD KEMP, Vice-Pres. HERBERT A. CLARK, Vice-Pres. H. R. M. SMITH, Vice-Pres.
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WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.

NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$ 1,000,000.00

Organized 1866

NEAL BASSETT, President

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\$ 1,000,000.00

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THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

\$ 1,000,000.00

Organized 1870

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THE CAPITAL FIRE INSURANCE COMPANY

\$ 300,000.00

Organized 1886

CHARLES L. JACKMAN, President

NEAL BASSETT, Vice-President

UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.

\$ 100,000.00

Organized 1905

NEAL BASSETT, President

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W. E. WOLLAEGER, Vice-Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d V. Pres.
WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.

MILWAUKEE MECHANICS' INSURANCE COMPANY

\$ 2,000,000.00

Organized 1852

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THE METROPOLITAN CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1874

NEAL BASSETT, Chairman of Board

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COMMERCIAL CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1909

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H. R. M. SMITH, Vice President
JAMES SMITH, Secretary

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MASSIE & RENWICK, Ltd., Managers

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10 Park Place
NEWARK, NEW JERSEY

PACIFIC DEPARTMENT
220 Bush Street,
San Francisco, California
W. W. & E. G. POTTER, 2nd Vice Presidents
FRED W. SULLIVAN, Secretary

SOUTH-WESTERN DEPARTMENT
912 Commerce St., Dallas, Texas
OLIN BROOKS, 2d Vice President
BEN LEE BOYNTON, Res. Vice President
A. C. MEEKER, Secretary

LOYAL TO PRINCIPLE -- TO LOYAL AGENTS, LOYAL

A NEW DAY—

We have heard a lot about "a new day" recently.

Whether life is to advance to something higher and finer matters little right now. Enough to know that old values and old regimes have tumbled — and perhaps deservedly.

At least, we all must keep on our toes—daily. If things do change, heaven help the man who went to sleep in his harness.

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In selecting your Insurance Policy Writers make a thorough investigation as to the reliability—alertness—and service rendered other agents! We are always pleased to submit our service in comparison!

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ues of city buildings, reducing the amount of insurance expiring in September from \$373,000 to \$300,000. Included in the reduced amount is also insurance placed on buildings which were not covered before. The buildings were insured for five years at a total premium of \$9,984, which is about \$1,000 more than was paid on the insurance which expired in September. The increase is due to the committee placing straight insurance on fireproof buildings. Coinsurance was placed on non-fireproof buildings.

Madison now has \$50,000 in its own insurance fund which was inaugurated about five years ago. Whether this will be developed and continued is a question under discussion.

The special committee explained it felt no insurance should be placed with the mutuals at this time. About \$102,000 insurance which expired in September was carried by mutuals.

Important Matters Taken Up by Minneapolis Board

MINNEAPOLIS, Oct. 12.—An attendance of close to 100 marked the quarterly meeting of the Minneapolis Underwriters Association. President Frank S. Preston and P. H. Ware, executive secretary, reported on the national convention in Philadelphia.

It was brought out that general agencies and branch offices are writing policies for non-policy-writing agents, and are paying the same commission to those agencies as the recording agencies get, which is a practice that the Minneapolis board will attempt to curtail.

A committee was appointed to look into the matter of extra credit being granted by agencies beyond the 60-day period, and a plan was presented to hold credit within a 60-day limit. The matter of a 60-day automatic cancellation clause on which the National association is now working was discussed, but no action was taken. Plans were considered for promoting the accident prevention campaign of the National Bureau of Casualty & Surety Underwriters, which was presented at the Philadelphia convention.

The fiscal year of the Minneapolis board has been changed to begin Sept. 1 instead of Jan. 1, to conform with the state and national organizations.

South Dakota Insurers to Meet

The Insurers of South Dakota will hold their annual meeting at the Marvin Hughitt hotel, Huron, S. D., Oct. 18. It is expected that about 60 will attend. One of the speakers will be S. H. Quackenbush, western manager of the

Westchester Fire, Freeport, Ill. Fred H. Leach of Yankton is president and J. D. Dux of Sioux Falls is secretary-treasurer.

Brown Answers Kanar Charges

ST. PAUL, Oct. 12.—All companies that he has licensed in Minnesota have complied with the state laws, Commissioner Garfield W. Brown declares in a statement filed with Governor Olson, in answer to charges made against him by Dell Kanar, St. Paul insurance man.

Mr. Brown denies insulting or abusing Kanar when the latter visited his office but admits he ejected him when he (Kanar) became abusive. The commissioner said he was convinced that Kanar was irrational and irresponsible. The commissioner also denied that he tried to dissuade Kanar from joining in the action started by Z. H. Austin of Minneapolis to oust Mr. Brown.

It is unlikely there will be any further moves in the Brown ouster proceedings until after election.

E. M. Mansfield Honored

The St. Joseph Underwriters Association gave a farewell luncheon to E. M. Mansfield, for 13 years manager of the St. Joseph office of the Missouri Inspection Bureau, who has been transferred to Springfield, Mo. W. Harry Fellison, president of the local organization, presided. L. S. Stubbs on behalf of the members presented Mr. Mansfield with a desk set. Mr. Mansfield is succeeded in St. Joseph by L. A. Kessberger, now in charge of the Springfield office.

New Agency Formed

The newly organized Jacobson-Wilson-Johnson Co. agency has taken over the A. J. Schunk Co. agency of Minneapolis. D. W. Johnson has been with the Schunk agency three years.

Field Men Meet Oct. 17

The October luncheon meeting of the Wisconsin Insurance Club will be held Oct. 17, at the Hotel Pfister, Milwaukee. Agency balances will be one of the most important subjects discussed.

Wisconsin Blue Goose Women Meet

About 40 members of the Wisconsin Women of the Blue Goose, composed of ladies of ganders of the Wisconsin home nest, held their monthly meeting last week. Following a short business meeting, they spent the afternoon at bridge and golf. Mrs. Clarence R. James, wife of the Aetna special agent, is president.

IN THE MISSOURI VALLEY

Iowa Blue Goose Gathering

State Agent Harrison of National Displays His Collection of Washington Engravings

DES MOINES, Oct. 12.—About 60 members of the Iowa Blue Goose heard W. H. Harrison, state agent for the National, tell about his collection of George Washington engravings at the Oct. 10 meeting. The collection has received wide recognition and has been on display in numerous galleries in the middle west.

Mr. Harrison had about 100 specimens with him at the meeting. He told the Blue Goose members that he was so pleased to tell about his collection that he would give away four of the engravings to those present. The lucky ones were R. P. Osier, Norwich Union; P. J. Payseur, Phoenix of Hartford; Fred Brake, Aetna, and T. J. Hession, Western Adjustment.

Two former members of the Iowa pond were guests, S. E. Wherry of the Home, now living in Minneapolis, and

Gale Tilmann, with the Western Adjustment in Chicago.

Record Attendance Expected

ST. LOUIS, Oct. 12.—A record attendance is expected at Jefferson City Friday and Saturday for the various insurance meetings there. The Missouri Insurance Agents Association, Missouri State Fire Prevention Association, the

OHIO AGENTS

desiring a connection for writing a complete Automobile Policy, address:

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Capital \$1,000,000.00

GALVESTON,

TEXAS

Blue Goose and the Cats Meow will meet Friday and on Saturday these organizations will join with the Missouri Insurance Council for the annual Missouri Insurance Day program.

Paul L. Haid, president Insurance Executives Association, who was scheduled to be the banquet speaker Friday night, is unable to keep the engagement.

Walter H. Bennett, secretary-counsel National Association of Insurance Agents, will represent the National association at the annual convention of the Missouri association and will make the address at the banquet.

Lund Is Kansas Speaker

Carl G. Lund of the Fidelity-Phenix, president Oklahoma Fire Prevention Association, gave his illustrated fire prevention lecture, "Behind the Scenes of Fires," before the high school and the

High Twelve Club at Topeka, Kan., Oct. 12 and the following day addressed the state convention of the Kansas Association of Insurance Agents at Salina on "The Need for Readjustment in Farm Underwriting."

Strengthen Fleet Regulations

The Fire Underwriters Association of St. Louis at a general meeting this week will pass on various proposed amendments to the constitution and by-laws intended to strengthen the rules governing fleets so that all insurance companies under the same general ownership and control will be fully bound by the rules and regulations governing the members of the association.

Carl B. Galloway, independent adjuster at Casey, Ia., and a member of the Iowa Blue Goose, died at a Des Moines hospital following a recent operation.

STATES OF THE SOUTHWEST

Construction Not Only Factor

Texas Field Man Comments on Moral Hazard in Losses in Southwestern Field

The following communication is from a Texas field man, who comments on an article in a recent edition, relating the theory that poor construction and not greater moral hazard is responsible for the higher loss ratio in the south:

"Quite an interesting article appeared in a recent issue of THE NATIONAL UNDERWRITER relative to the loss experience on dwelling business in the southwest, emanating from Fort Worth.

"The matter is of outstanding interest to agents and companies alike. The authority of the article in which the difference in construction and physical conditions in the southwest is contrasted with the north and east is perfectly sound and right and the theory of inadequate rates is proven beyond element of doubt by the Texas state insurance commission's published figures. I would like to inquire as to the basic facts from which it is contended that the morale in the southwest, Texas, for instance, is in every way equal to the morale in other parts of the country.

"The burning ratio of dwellings in Texas becomes so terrifically high that the subject must unquestionably be of paramount importance to agents as well as companies.

"If I am correctly informed, the entire fire loss of the United States was approximately 8 percent less in 1931 than it was in 1930, whereas the fire loss in Texas was about \$700,000 greater in 1931 than in the prior year. According to the state commissioner's published figures fire loss incurred on dwellings in 1931 was approximately \$2,600,000 greater than in the year 1927, producing loss ratio of 83.2 percent on dwellings in 1931 as contrasted with 55.2 percent in 1927.

"Now, if an increase of approximately 50 percent in the amount of fire loss in a year of adversity over a year of prosperity doesn't reflect moral hazard, then all interested in our business should be keenly interested in developing the actual facts and definitely allocating the cause of this terrific increase in the burning ratio of the dwelling business in order that we may all devote our best effort to ways and means of rectifying the situation."

Discussion Leaders Named

Leaders for some of the topics of discussion at the annual meeting of the Oklahoma Association of Insurers at Oklahoma City, Oct. 21, in addition to those already announced, have been signed up. Ben G. Hunter of Ardmore will lead the discussion on fidelity bonds

and burglary insurance through bank agents; W. F. Stahl of Tulsa, reduced commissions; E. W. Clarke, president Oklahoma City board, local boards and loyalty to conference companies; R. H. Siegfried, Tulsa, compensation; John J. Moffatt, Muskogee, evils of mutual and reciprocal insurance; Claude L. Frenshley, Duncan, collection evils, and M. E. Williams, McAlester, cut rate companies.

Another feature not heretofore announced will be a talk on county organizations by William Murdoch. There will also be an address on farm insurance, the speaker to be announced later.

Dallas Insurance Women Elect

DALLAS, Oct. 12.—Miss Anna G. Howell was elected president of the Dallas Insurance Women's Club at its annual meeting. Honorary membership was bestowed on Miss Kathryn Mathews, who was "Miss Dallas" at the annual convention of the National Association of Insurance Agents.

Other officers elected are Miss Bennylyn Eubanks, vice-president; Miss Ruth Gardner, vice-president; Miss Laura Letzenhauser, recording secretary, Mrs. Mae Taylor, corresponding secretary, and Miss Lucy Mae Bowen, treasurer.

Alfonso Johnson, manager of the Dallas Exchange, told about the national convention.

Valley Association Incorporates

The Valley Association of Stock Fire Insurance Agents, with headquarters at Harlingen, Tex., has been incorporated. The incorporators are E. E. Rigney of Harlingen, G. E. Dodd of Brownsville and Joe M. Erwin of San Benito. The exchange meets monthly in different cities of the Rio Grande valley country and is reported as doing a great work in developing closer cooperation among the agents.

Boyd Returns to Texas

A. P. Boyd, who has been in San Francisco since last January assisting Rorick Cravens, western manager of Cravens, Dargan & Co. in the extension of Pacific Coast operations, has returned to Texas, locating in Fort Worth as north Texas manager for the general agency. Mr. Boyd entered the insurance business nine years ago with Cravens, Dargan & Co.'s marine department, becoming special agent in 1926 and manager of the fire department at the head office in Houston in 1929.

Inspect Chickasha, Okla.

The Oklahoma Fire Prevention Association inspected Chickasha last week. Among the speakers were President Carl G. Lund, Fidelity-Phenix; F. F. Thompson, North British; F. C. Newcomer, Cotton Insurance Association, and William Bizzell, Oklahoma Inspection Bureau.

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PACIFIC COAST AND MOUNTAIN

Walker Heads Idaho Agents

**Demand Investigation of State Fund's
Financial Condition—Premiums Re-
ported Less Than Losses**

BOISE, IDA., Oct. 12.—George C. Walker, Boise, was elected president of the Idaho State Association of Insurance Agents at its annual meeting here last week. Collections and the passage of an agents' qualifications law were among the important subjects discussed. A financial examination of the Idaho state insurance fund was demanded in a resolution and the incoming executives were instructed to make an effort to obtain such action. The new executives were also instructed to push the new insurance code which failed at the last session of the legislature. The adoption of an automatic cancellation clause for nonpayment of premium was approved in a resolution.

Senator Borah Speaks

W. T. Lockwood, secretary of the Boise Chamber of Commerce, welcomed the gathering and Homer H. Lipps, Lewiston, national councillor, responded. Mr. Lipps later talked about the National association. Among the speakers were R. R. Robertson, San Francisco, assistant manager London & Lancashire; W. H. Bakes, Idaho director of insurance; P. C. O'Malley, director of the Idaho state insurance fund, and George P. Mang, Salt Lake City, state agent Home of New York. Thomas Fraher of the Aetna Casualty's home office, spoke on contract bonds and D. C. Neifert, Boise, on the revision of insurance laws. At the banquet Senator Borah of Idaho was the principal speaker.

The other new officers elected were Homer H. Lipps, vice-president and national councillor, and J. B. Dollard, Boise, secretary-treasurer. Executive committee members elected were Fred Mitchell, Caldwell; Mose Tyler, Lewiston, and A. E. Ware, Nampa.

Thomas J. Craig, assistant manager North America, and J. M. Mendell, manager London Assurance, along with Mr. Robertson were present representing the Pacific Board.

In his talk, Mr. O'Malley discussed the condition of the Idaho state insurance fund. Due to general conditions, he said, receipts have not been equaling the amount of money paid out in claims. Before 1931 there had always been a surplus of receipts over claims. The fund's surplus shrank more than \$123,000 from May 1, 1931, to May, 1932. Total assets at present are \$1,155,991.

California Regional Meetings

**Definite Dates for First of Series Set—
Announce Further Plans for State
Convention**

SAN FRANCISCO, Oct. 12.—Frank Colridge, executive secretary of the California Association of Insurance Agents, has announced definite dates for the first of the series of regional meetings. The meeting for district No. 8 will be held at Santa Ana at noon Oct. 18. That evening a similar meeting is to be held at Hollywood, in which members of the Los Angeles Fire Insurance Exchange will participate. Eugene Battles, past president of the association and chairman of the executive committee, is to be the principal speaker at these two meetings as well as others scheduled for later in the month at Fresno, Stockton, Marysville, Oakland and Watsonville. Mr. Colridge will also be a speaker at all of these meetings. Percy S. W. Ramsden, president of the association, will address the Oakland meeting.

Plans for the convention of the California association at Santa Rosa are now

being completed. They include two group conferences the evening of Nov. 17, one for agents with production of \$75,000 or more, and the other for agents with a smaller production.

Local Agents Win in Fight Over Port of Seattle Line

The King County Insurance Association, in its latest bulletin, expresses gratification that the port commissioners of Seattle took affirmative action on the request that the association be permitted to write the insurance on the Port of Seattle. The bulletin recalls that the meeting, at which this action was taken, was lively in that the general agents and local agents were aligned against each other.

The bulletin expresses the belief that the argument presented by the spokesmen for the general agents did not represent the real attitude of the general agents' association. The position of the general agents was, according to the bulletin, that they desired to be represented in the allocation of the insurance. The local agents desired the business to be placed in accordance with the plan as outlined.

"We believe," the bulletin states, "that the general agents would have commanded a great deal more confidence and respect from the local agents if they had not appeared at the meeting but had advised the commissioners that they were fully satisfied that the business would be placed with them and home companies in accordance with the local agents' proposal."

Credit for getting approval of the local agents' program is given Percy Perry and George Thieme.

Flickinger Denver Speaker

DENVER, Oct. 12.—W. B. Flickinger of Chicago, assistant general agent of the North America, who attended the annual meeting of the Supervisory Committee of the Rocky Mountain Fire Underwriters Association, was a guest of the Denver Association of Insurance Agents at its luncheon last week and spoke on cooperation. He explained the Supervisory Committee's stand on the indiscriminate issue of agents' licenses, which has engaged the attention of the Denver association for many weeks, and emphasized the value of cooperation in dealing with collections. United action will simplify the individual agent's collection problem, he declared, and he assured his hosts that proper organization could bring into the Denver association practically every non-member in the city before Christmas.

Exhibit by Fireman's Fund

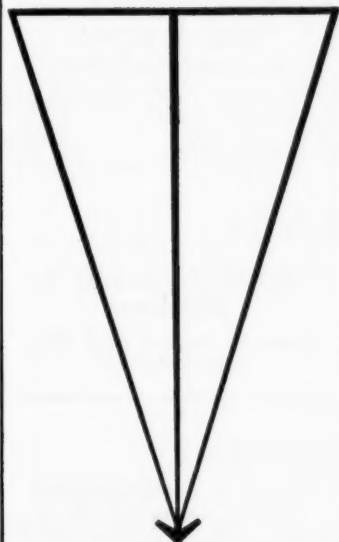
The Fireman's Fund had on display at its home office during Fire Prevention Week an impressive fire prevention exhibit. On top of the base, which shows a series of burning buildings, there is a fireman kneeling, wearing the latest type of asbestos suit used in combating oil and other fires of intense heat at close range. There are all sorts of hand fire fighting equipment at the base of the exhibit.

Woolley Schedule Criticized

After two weeks under the new Woolley schedule, the King County (Seattle) Association of Insurance Agents points out what appear to be inconsistencies. For instance, where the former three year rate with 90 percent coinsurance on a class A hotel building in Seattle was .4774, the new rate is 1.495. "This," the association states, "we feel is a tremendous increase."

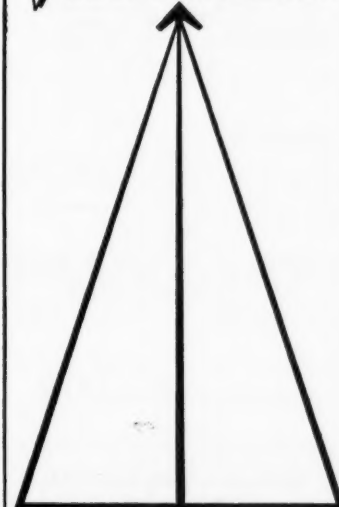
Where the former three year rate with 90 percent coinsurance on a D class unoccupied theater building was 2.64, the new rate is 2.17. This appears to be too

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low. However, the King county association expresses willingness to wait for adjustment.

The association suggests that the rate increase for Washington will exceed by far the increased amount which Mr. Woolley is attempting to secure for the companies. Property owners, according to the association, are much disturbed at the increase and feel that the loss ratio in Seattle has not warranted such a drastic increase. The companies should have statistics by classifications or cities to justify the increase in the eyes of the public, according to the association. The general assumption is that the unprotected properties have caused the excessive loss ratio.

Battles Heads New Group

LOS ANGELES, Oct. 12.—The Los Angeles Chamber of Commerce has formed a general insurance committee, to be representative of all lines except life insurance, which is already represented by a special committee. Eugene Battles, past president California Association of Insurance Agents, has been named chairman; Everett Charlton, Seyler-Day Agency, vice-chairman, and George H. Cecil of the chamber staff will act as secretary. A study will be made to determine how much insurance business here is purchased out of the state and efforts will be made to gather complete statistics on the insurance business in Los Angeles.

Inland Marine Club Active

SAN FRANCISCO, Oct. 12.—The Inland Marine Club of the Pacific, which was formed last March with A. H. Mueh of the Fireman's Fund as president, is holding regular weekly luncheons and is showing a healthy membership growth. These meetings are in the nature of a round table discussion at which various subjects of interest pertaining to the various phases of inland marine and all-risks lines are discussed.

Warren Sanford, Atlas, is vice-president and J. W. Montmeny, America Force, secretary.

Talcott Named State Manager

LOS ANGELES, Oct. 12.—John S. Talcott, Los Angeles, has been appointed state manager for California of the General of Seattle group and will divide his time between the Los Angeles and San Francisco offices. He has been manager at Los Angeles for the past year and a half, prior to which he was manager of the Leo Pockwitz Company agency. The appointment follows the resignation of Oakley H. Beyer as manager of the northern California department to enter the brokerage business in San Francisco.

In the supervision of southern California Mr. Talcott will be assisted by O. W. Loomis, who has charge of the Los Angeles office, and M. C. Brown, who is in charge of production in this field.

Henderson at San Bernardino

Fred A. Henderson, Los Angeles manager Fire Companies Adjustment Bureau, was the principal speaker at the meeting last week of the San Bernardino (Cal.) Association of Insurance Agents. He discussed the factors involved in the adjustment of fire losses. Other Los Angeles insurance men attending the meeting were E. Russell, manager; Vernon C. Bogy, vice-president, and H. M. McKnight, member of the governing committee of the Fire Insurance Exchange of Los Angeles.

Test Carroll License Ruling

SAN FRANCISCO, Oct. 12.—With the denial of renewal of license to the E. J. Carroll Company, San Francisco brokerage firm, on the ground that it "can not qualify" under the law and that "issuance of the license would be against public interest," a fine legal point has arisen. This point, which will necessarily be threshed out in mandamus proceedings or suit which is bound to



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follow this action on the part of the commissioner, involves the question as to the present status of business placed by it pending renewal or denial of the Carroll license which had been held in abeyance since the start of the California fiscal year on July 1.

Another interesting angle is that the case will be the first test of the amendment to the agency qualification law of California enacted by the last legislature. It is understood that Carroll's attorney is moving rapidly to put the entire matter to a test.

Klamath Falls Agents Elect

KLAMATH FALLS, ORE., Oct. 12. At the annual meeting of the Klamath Insurance Agents Union, the officers were elected: R. H. Dunbar, president; H. J. Savidge, vice-president; Mrs. Ida Monyer-Odell, secretary-treasurer; G. P. Donohue and E. M. Chilcote, directors.

America Fore Field Changes

H. S. Dotson, formerly in charge of Fidelity & Casualty operations in Montana, has been appointed special agent for the America Fore group with headquarters at Great Falls, Mont., assisted by L. H. Box. A. V. Holman has been placed in charge of territory formerly

covered by Chester Deering, who died two weeks ago. His headquarters will be in Seattle.

Rejects Mutual's Deviations

OLYMPIA, WASH., Oct. 12.—The Washington insurance department has declined to allow a 10 percent deviation filing by the Federal Hardware Mutual on Class C structures, which includes apartments, hotels and certain commercial buildings. It was held that the company's experience did not warrant the further reduction in rates.

Stebbins Is Utah Speaker

Herbert Cobb Stebbins of Cobb & Stebbins, Denver, former president of the American Association of General Agents, will address the annual meeting of the Utah Association of Insurance Agents at Salt Lake City Oct. 15 on "The Trade Association; What Is It Worth?"

Boynton Made Special Agent

Charles A. Boynton, Jr., has been appointed special agent for the Firemen's group in Utah and Idaho to assist State Agent Decker Little. He was formerly an examiner in the San Francisco office of the group.

Professor Blue Goose Speaker

Prof. James B. Bassett, instructor in history at the University of San Francisco, addressed the San Francisco Blue Goose at its luncheon Oct. 10 on "California's Mortgage Situation."

Officers have been elected for the New Iberia (La.) Insurance Exchange: Mate DeRouen, president; F. L. Mudd, vice-president, and W. B. White, secretary-treasurer.

Eastern States Activities

Brooklyn Premiums Reported

Figures for Six Months Show Considerable Decrease from Corresponding Periods of Both 1931 and 1930

Premiums amounting to \$5,235,764 were reported to the New York Board for the salvage corps area of Brooklyn in the first six months of 1932. This compares with \$6,228,578 for the same period of 1931, and \$6,490,335 in 1930. The stock companies reported \$5,149,352 and the mutuals \$86,412.

The leading companies in Brooklyn for the first six months of this year together with their premiums for the first six months of 1931 follow:

	1932	1931
Home	\$186,646	\$202,785
Great American	137,875	203,844
Continental	117,717	160,791
Hartford	117,261	126,575
Aetna	110,409	124,136
L & L & G	104,041	105,623
Fidelity-Phenix	103,515	113,778
North River	102,300	106,371

By groups, the record is as follows:

Home	\$523,288	\$617,425
America Fore	434,029	567,774
Crum & Forster	338,793	383,384
Royal-Liverpool	334,945	410,432
Hartford Fire	219,018	219,144
Firemen's	195,023	215,430
Great American	190,541	261,190
North British	190,447	219,934
North America	134,287	135,962
Aetna Fire	127,081	145,962
National	126,829	183,168
Commercial Union	113,727	91,824
Phoenix of London	105,538	136,639
London & Lancashire	97,087	92,565
Phoenix of Hartford	95,476	163,262
Yorkshire	95,132	98,714
Fire Association	94,911	96,119
Corroon & Reynolds	91,360	132,691
Automobile	90,145	76,474
Fireman's Fund	85,273	40,288
American	79,934	57,460
Meserole	79,758	59,132
Springfield	67,812	73,324
Glens Falls	61,188	68,152
Globe & Rutgers	60,830	157,120
Sun	58,974	63,144

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Reserve for Unearned Premiums	\$2,082,507.62
Reserve for Losses, etc.	678,921.47
Reserve for Security Values	1,500,000.00
CASH CAPITAL	1,000,000.00
NET SURPLUS	1,204,994.67

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MILWAUKEE, WIS.

Tokio M. & F.	1932	1931
Northern of London...	55,622	84,677
St. Paul F. & M.	55,099	45,008
Agricultural	47,646	40,675
	46,493	34,597

Compromise Arrangement Up

Look for Some Accord to Be Reached
at Philadelphia Over
Branch Offices

PHILADELPHIA, Oct. 12.—The indications are that there will be a compromise arrangement reached in this city between the Philadelphia Association of Insurance Agents and the companies. The Philadelphia men were par-

ticularly anxious to inject the branch office issue before the annual convention of the National Association of Insurance Agents but all discussion was side-tracked on appeal of Percy H. Goodwin, chairman of the national conference committee. It seems that negotiations started on the final day of the National association meeting here that it is hoped will eventually lead to an amicable settlement of a very aggravated situation. Both sides will have to give in if any accord is reached.

Harold E. Taylor, publicity director American of Newark, and William T. Haynes, Newark manager, New Amsterdam Casualty, have been appointed to the insurance division of Newark's community chest campaign.

NEW ENGLAND NEWS

Program of Vermont Agents

Gandy, Inglehart and Ross to Speak at
Fall Meeting at Burling-
ton Oct. 18

BURLINGTON, VT., Oct. 12.—The fall meeting of the Vermont Association of Insurance Agents will be held at the Burlington Country Club here Oct. 18. An interesting program has been arranged by President I. Munn Boardman.

The morning will be given over to a golf tournament followed by an informal luncheon. The afternoon session will start with reports of the president and secretary and a report of the National association meeting by T. C. Cheney, chairman of the New England Advisory Board and past president of the Vermont association.

Speakers will include the newly elected president of the National association, Charles L. Gandy; G. G. Inglehart, secretary of the Agricultural, on "Cash Value and Its Relations to Present Day Losses," and F. D. Ross, assistant manager of the Factory Insurance Association, on "How to Combat Factory Mutual Competition."

Following this there will be a discussion period relative to automobile rates, accident prevention and any other topics which may be presented. The banquet will be held in the evening.

Safety Symposium Is Planned

Entire Session at Meeting of Connecticut Agents Association to Be
Devoted to Crusade

An entire session at the annual meeting of the Connecticut Association of Insurance Agents in Bridgeport, Oct. 20, will be devoted to a symposium on fire and accident prevention. That will be the afternoon session. The morning meeting will be devoted to reports of committees and officers and the transaction of other business.

The afternoon speakers will include T. Z. Franklin of the Automobile of Hartford, who has developed a novel presentation of fire prevention, with graphic illustrations and experiments. Mr. Franklin is always a favorite with his miniature houses, explosions, etc. David North of New Haven, chairman of the prevention committee of the Connecticut association, will report on what the association is doing in automobile safety work so that the liability and property damage rates may be reduced.

Maj. W. P. Cavanaugh, head of the claim department of the National Bureau of Casualty & Surety Underwriters, will appear, as well as R. B. Stoeckel, commissioner of motor vehicles of Connecticut.

One of the principal banquet speakers will be Charles L. Gandy, president of the National Association of Insurance Agents. The other speaker will be announced later.

Walter C. North is president of the

Connecticut association, and Arthur Bradshaw is secretary.

New Hampshire Men to Hear Hinkley, Sullivan and Gandy

Three outside speakers have been obtained for the annual meeting of the New Hampshire Association of Insurance Agents at Manchester, Oct. 19. Ralph G. Hinkley, New England manager for the American of Newark, will address the business session in the afternoon. There will be reports by President A. B. Gile of Hanover and Secretary J. Frank DeMeritt of Exeter and discussion of current topics. The morning will be devoted to a golf tournament at the Manchester Country Club.

At the banquet, Commissioner John E. Sullivan of New Hampshire and President Charles L. Gandy of the National Association of Insurance Agents will be heard.

Medlicott Again Library Head

BOSTON, Oct. 12.—The Insurance Library Association of Boston held its annual meeting last week, the following trustees being elected for three year terms: A. W. Burke, C. C. Hannah, W. B. Medlicott, and H. R. Worthley. D. N. Handy was reelected secretary-treasurer and at a later meeting of the trustees Mr. Medlicott was reelected president.

Insurance Society Elects

BOSTON, Oct. 12.—Harold A. McKenna, New England manager of the London Guarantee & Accident, was reelected president of the Insurance Society of Massachusetts at the annual meeting. K. H. Erskine, New England manager Liverpool & London & Globe, was elected first vice-president; A. J. Anderson, second vice-president, and A. D. Cronin third vice-president. F. J. Devereux was reelected secretary-treasurer. L. E. Knox, A. S. Nelson, F. J. O'Gara, H. C. Read and Warde Wilkins were elected directors for two years and J. J. Cornish trustee for three years.

The society reported some over 500 members for the year with finances in good condition.

Two Old Agencies Merge

Two of the oldest Boston agency and brokerage offices are being consolidated. They are Boit, Dalton & Church and the William A. Hamilton Co. The new firm will take the name of Boit, Dalton, Church & Hamilton with headquarters in the Public Service building. Both of the agencies started business more than 60 years ago.

Miscellaneous Notes

W. S. Attridge and E. T. Matsuki, both well known Boston insurance men, have formed the general agency of Attridge, Matsuki Co., 89 Broad street, Boston.

The Birmingham Fire of Pennsylvania has transferred to the Allen Beck General Agency, which purchased the business of the former Seaman & Osgood general agency in Denver.

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DONE FOR
CASUALTY COMPANIES
BY

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REINSURANCE
CORPORATION

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KANSAS CITY
NEW YORK
CHICAGO
LOS ANGELES

The National Underwriter

THIRTY-SIXTH YEAR
NUMBER 41

CHICAGO, CINCINNATI, SAN FRANCISCO AND NEW YORK, THURSDAY, OCTOBER 13, 1932
Office of Publication, 175 West Jackson Boulevard, Chicago, Illinois

WISCONSIN AGENTS
CONVENTION NUMBER

Tucker New Head of Wisconsin Men

Instructive Meet Held by Badgers

Much Ground Covered by Leaders
at Gathering in
Madison

STATE FUND IS ATTACKED

Automatic Cancellation Proposal Dis-
cussed—Invitation Presented by
Green Bay for 1933 Convention

By ROY W. LANDSTROM

It was a sincere group of agents that met at the Lorain hotel in Madison for the annual meeting of the Wisconsin Association of Insurance Agents. The meeting got under way with President Fred J. Lewis of Milwaukee in the chair. He called upon J. M. O'Malley, president of the Madison Board of Fire & Casualty Underwriters, for the address of welcome, to which W. J. Tucker, chairman of the executive committee, later elected president, responded.

Mr. Lewis immediately recognized C. R. Street, western manager of the Great American, who in discussing the cooperation between agents and companies said: "It is unfortunate that the feeling developed several years ago that agents could not get a hearing with their companies. On my own initiative I granted interviews to delegations of agents representing various local boards

and state associations and that was the start of conference committees. These meetings can reconcile our differences and there is a decided advantage to agents and companies in getting together to discuss problems."

Before reading his report as secretary-treasurer, Joseph G. Grundle of Milwaukee read a telegram from B. A. Lehnberg of Milwaukee who was unable to attend the meeting. He also read a telegram from J. B. Levison, president of the Fireman's Fund. In his report Mr. Grundle spoke of the activities of the association in holding regional meetings throughout the state. He also reported that more local boards are functioning at this time than at any other time in the history of the organization. Mr. Grundle said that the membership had been kept up to 327 through strenuous efforts.

The new president, W. J. Tucker, in his report as chairman of the executive

committee said, "Our present problems of collections, collapse of farm business, overhead writing, etc., are really problems of growth, not signs of decay. Our business looks to the future with confidence. The day of the order taker is gone. The agent operating under old methods will have to lose out. He must study his business. Above all he must know every day whom he is going to see and what he is going to say to the prospect. Agents are still worried about the many appointments that are being made. If we develop into the kind of agents that companies can trust we can rely on the companies to look to us."

He spoke strongly in favor of an agent's qualification law and said that he felt that the new legislature would be more in sympathy with such a law. This was followed by the president's annual address of Fred J. Lewis of Milwaukee. L. C. Hilgemann of the Leedom, Miller & Noyes Agency of Mil-

(CONTINUED ON PAGE 30)

NEW OFFICERS ELECTED

PRESIDENT

W. J. Tucker, Beloit

VICE-PRESIDENTS

W. C. Thornton, Fond du Lac; Henry P. Evans, Superior; H. A. Bird, Beaver Dam.

SECRETARY-TREASURER

Joseph G. Grundle, Milwaukee

CHAIRMAN EXECUTIVE COMMITTEE

W. B. Calhoun, Milwaukee

Raps Rebating on Existing Policies

Credits Should Not Be Allowed
Upon Reinspection During Life
of Contract

H. J. MORTENSEN'S VIEWS

Wisconsin Commissioner Also Hits
Agents Who Divert Funds and
Criticises I. U. B. Plan

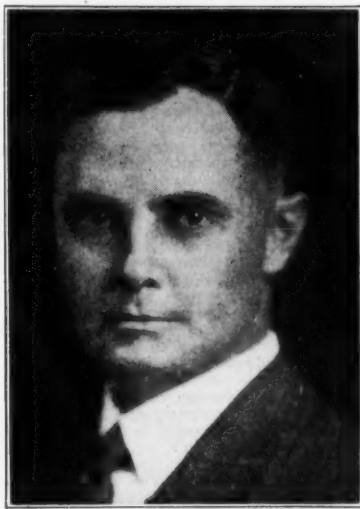
Commissioner H. J. Mortensen of Wisconsin, in addressing the agents of his state at Madison, endorsed the principle, which has just been partially recognized by the Ohio Inspection Bureau, that credits and reduction in rates upon reinspection should not be allowed during the term of the contract. W. A. Earls, Cincinnati local agent, has been in the forefront championing this reform. This was perhaps the most interesting part of Mr. Mortensen's address. The agents were also interested in his strong condemnation of the diversion of company funds to the use of the agent. He also denounced the general cover contract and the Interstate Underwriters Board plan.

"In their eagerness to acquire business," Mr. Mortensen declared in speaking of credits granted upon reinspection, "some agents are solicitous in having properties rerated. Especially do

(CONTINUED ON PAGE 32)



W. J. TUCKER, Beloit
New President Wisconsin Association



FRED J. LEWIS, Milwaukee
Retiring President



W. B. CALHOUN, Milwaukee
Chairman Executive Committee



J. G. GRUNDLE, Milwaukee
Secretary Wisconsin Association

Need Golden Rule in Farm Business

Insuror Should Offer Only Risks
He Would Take as
Insurer

PLEA OF BARRIE CURRAN

America Fore Man Points Out Difference in Underwriting City and Farm Risk

Barrie Curran, Iowa state agent for the America Fore companies, imported the Wisconsin agents to observe the Golden Rule and offer no farm business to a company that an agent would not be glad to assume were he the company. "Then the loss ratio would take care of itself," Mr. Curran declared. "When the loss ratio reflects the fact that our local agents are rendering this kind of service, then they will realize the fruits of their work."

"Merit rating," Mr. Curran declared, "the deductible clause, a satisfactory commission scale, policy modernization—all of these may be accomplished if and when the agent brings to the companies such results as will justify their adoption."

Mr. Curran expressed the belief that an agent who understands and practices the fundamentals of farm underwriting can and will return a profit to his companies, regardless of the territory in which he is operating and the conditions under which the farmer is laboring.

Versatility Is Required of Farm Insurance Agents

The farm agent, according to Mr. Curran, should be a qualified and aggressive building inspector, fire preventionist, credit reporter, rate authority and judge of values. There are many distinctions between farm and mercantile risks, he pointed out. City ordinances regulating building construction and installation of equipment are enforced to diminish the fire hazard, whereas there are no such regulations governing farm buildings. The city inspector obliges the property owner to meet certain standards in housekeeping efficiency, but this service is lacking on the farm unless it is provided by the suggestions of agents. The city fire department function is to prevent and extinguish town

(CONTINUED ON PAGE 32)

Resolutions Adopted by Wisconsin Agents at Their Annual Meeting

Resolved, that we request the commissioner of insurance to institute some plan whereby every agent licensed by the department be required to certify that he is reasonably familiar with the Wisconsin standard policy and the laws relating to insurance as a prerequisite to continuing such license.

We believe that the practice of the First National of Seattle in operating at 20 percent less than the established rates of all other stock fire insurance companies merits the attention of the insurance commissioner of Wisconsin.

Whereas, it is now generally recognized that government should assist and not compete with legitimate private business, we believe that the Wisconsin State Fire Fund should be liquidated.

Whereas, our fellow Badger, W. B. Calhoun, has just left the helm of the National association after an eventful year, during which he served all American agents with extreme fidelity and the highest capability, now therefore be it resolved that we, the Wisconsin Association of Insurance Agents, congratulate and thank past President Calhoun for his inestimable service and in token of our continued loyalty to the National Association of Insurance Agents we subscribe to and pledge our steadfast adherence to the resolutions adopted during his term and the principles as established and held by the national body.

Whereas, our hosts, the Madison Association of Fire & Casualty Underwriters, by their endeavors in our behalf have ably assisted in making this, the 34th annual meeting of the Wisconsin Association of Insurance Agents, an outstanding success, be it resolved that we, the Wisconsin Association of Insurance Agents, take this opportunity of expressing to our hosts our sincere thanks and appreciation.

Glimpses of Wisconsin Meet

Undoubtedly holding of the meeting at Madison, a more central location than Milwaukee, where the meeting has been held the past two or three years, was responsible for the larger attendance than in former years. The convention was not held in conjunction with the Insurance Federation, which will not hold a meeting this year and thus the entire attention of the convention focused on local agency questions.

To show their esteem for their commissioner, H. J. Mortensen, the Wisconsin Association of Insurance Agents granted him a full membership in their body. It undoubtedly came as a result of the address delivered by Mr. Mortensen at the banquet of that association. It was evident from his talk that Mr. Mortensen was making a sincere effort to get at the roots of many of the evils of the business in Wisconsin. There are many problems to cope with in Wisconsin as well as in other states and Mr. Mortensen has worked untiringly to bring about a proper solution that would be acceptable to both agents and companies.

The Wisconsin association has always taken a very keen interest in the com-

missionership in its state. Under the administration of Mr. Mortensen both agents and companies have always felt that they could openly approach their commissioner with their problems. The result is that Mr. Mortensen is held in high esteem. He takes an emphatic and intelligent stand and, although the companies may take issue with him, they respect him and feel that he has contributed to the business.

Fred J. Lewis of Milwaukee, retiring president, made an ideal presiding officer. Mr. Lewis never let the interest lag and he held the convention to schedule. He limited all speakers to 15 or 20 minutes and thus the audience was not tired at any time by lengthy addresses.

W. B. Calhoun, past president of the National association, attended the meeting and was constantly called upon for advice on a number of subjects.

B. A. Lehnberg, vice-president of Chris Schroeder & Sons Company of Milwaukee, although unable to be present, personally arranged that all guests were well cared for at the Lorain hotel, which is one of the Schroeder group. Although the hotel was packed with visitors for the Wisconsin-Iowa football game, which was held that day, convention guests received preference.

There was a fine turnout of field men for the meeting although a few of the old familiar faces were missing. Two western managers were present, A. G. Dugan, general agent of the Hartford, and C. R. Street, western manager of the Great American. Although Mr. Street attended as a guest he was constantly called upon by various speakers and officers for counsel.

R. J. Neckerman of the Neckerman agency of Madison was chairman of the entertainment committee of the Madison local board. He was assisted by P. O. Fish of Fish & Schulkamp and Theodore Herfurth. These men had worked diligently in arranging the affairs of the convention and everything was run off smoothly with these three men in constant attendance.

Thomas J. Houston of the T. J. Houston Adjusting Company of Chicago, general adjusters for Marsh & McLennan, and former commissioner of insurance of Illinois, attended all the sessions. He had gone to Madison the day previous to the convention to confer with A. C. Larson, general agent of the Central Life of Iowa who was recently made potentate of the new shrine to be opened in Madison.

C. W. Konrad Tells Local Board Value

Make Organization So Valuable,
No Agent Can Afford to
Be Outside

OSHKOSH MAN IN PLEA

Non-Association Representation By-Law and Company Cooperation in Its Enforcement Stressed

Charles W. Konrad of Oshkosh, in his discussion of local boards before the Wisconsin agents, suggested that the local board be made so valuable for the agent that no agent can afford to stay outside of its ranks.

Mr. Konrad recommended formation of an advisory council by the state association composed of the various local board presidents. Such a council, he recalled, is functioning in Michigan.

A properly founded local board with good up-to-date constitution and by-laws can foster a plan whereby company policies and practices are made local board policies and practices and vice versa, according to Mr. Konrad. Such cooperation brings business for both company and local agent, he said.

Company Cooperation Is Essential to the Board

Company cooperation is essential particularly in the non-association representation by-law, which he said should be included in the by-laws of every board.

It is proper for a company to assist a local board by confining all its representation to members of these boards, he declared. As far as Oshkosh is concerned, he said that the companies have given fine cooperation and have confined their representation to members of the local board.

Local boards should effectively assist the state organization in forming policies and practices, he said. State organizations, he pointed out, are the medium whereby a strong national association has been possible and everyone should work for formation of strong local boards to promote a stronger state organization, he declared.

Paul Rehfeld of the Rehfeld Adjusting Company of Madison had just returned to that city in time for the convention from a hunting trip.

Legislative Giants Are Only Dwarfs to Belson

Instead of giving a dry recital of the course of insurance legislation in Wisconsin, W. W. Belson, executive secretary of the Insurance Federation of Wisconsin, in his talk to the Wisconsin agents, made some salty observations on the habits, character and methods of legislators. One feature of his address that convulsed his audience was the history of a bill, making an insignificant change in the open season on rabbits in several Wisconsin counties. The bill was read the first and second time on Jan. 21, and referred to the committee on conservation. Then it came up again on technicalities some 27 times before being approved by the governor. "In a body of men whose perspective becomes warped enough to dilly dally with measures of this kind, anything can happen," Mr. Belson remarked.

Questionnaire Results Told

Jarvis W. Mason, advertising counsel for the London Assurance, who has been probing the local agent's soul by means of questionnaires on various phases of his business, presented some of his findings at the meeting of the Wisconsin Association of Insurance Agents at Madison. Mr. Mason was heard on the same subject before the annual meeting of the Insurance Advertising Conference in New York and will address the Illinois Association of Insurance Agents Oct. 21.

Mr. Mason set up a chart and made explanatory remarks. A thousand questionnaires were returned, he said. "Which of the following forms of competition seriously affect fire and automobile business?" was one of the questions asked. Below were listed seven kinds of prevalent competition. The second question dealt with the relative salability of ten allied fire lines. The third question revealed that half the agents sell insurance on time payment

and showed the relative popularity of three methods of time payment.

The fourth question told about which of 12 agency management subjects agents are most interested in learning. The fifth showed the relative popularity of eight kinds of local agency advertising and the sixth showed that company is preferred to agency stationery. The next question asked why the agents represented their fire companies and showed the reaction of the agents to the 10 major sales points which fire companies stress. Answers were varied to the question: "Are you in favor of discontinuing special forms of policies and using only straight fire, windstorm and combined, attaching the necessary uniform form?"

The last question dealt with the problem of whether the agents would be willing to pay half the cost of direct mail campaigns prepared by the home office and sent to lists furnished by the agent.

War on the State Fire Fund Urged

A. R. Davies of Kenosha Calls on
Agents to Knock Out
System

EXPLODES CLAIMS MADE

Critic Expresses Doubt Whether Ex-
penses of the Fund Have Been
Properly Allocated

Concerted effort on the part of the Wisconsin Association of Insurance Agents should be directed at knocking out the state fire fund during the coming session of the legislature, Alfred R. Davies of the Whitaker agency, Kenosha, advised the Wisconsin agents in his address.

Mr. Davies expressed suspicion that all disbursements had not been charged against the fund in the last annual statement and that certain factors had been ignored with the result that the favorable showing is deceptive in many respects.

Mr. Davies said that the agents are losing business upon the showing that the fund had a surplus of \$2,508,024 as of Dec. 31, 1931, and that there has been a premium saving from 1903-1931 of \$1,042,796 to the state and \$233,571 to non-state units. This showing, he said, makes a profound impression. Spokesmen for the fund add the surplus figures to the alleged premium saving and claim that this is the total saving to the insured. The total claimed is \$4,072,506.

Claim Can Be Exploded Easily, Speaker Contends

"How," Mr. Davies asked, "can a saving of \$4,072,506 be claimed when to arrive at it the surplus of the fund is added to the difference between the premium that would have been paid and what was actually paid? This presupposes that there would be returned to the several political subdivisions insured or having been insured, each their pro rata share if the fund were liquidated."

The amounts which have been charged for inspection service are open to question, according to Mr. Davies. The fund advertises adequate inspection service, but only \$100 was charged to this account in 1927, \$75 in 1928, nothing in 1929, \$1,663 in 1930, and nothing in 1931. If the inspections were made, the expense must have been assumed by another state department, he declared. From 1903 to 1912 only \$22.05 was charged to expense incurred. If the fund was in business, then there was expense, he said, and every item chargeable to the fund which has not been taken into consideration means that the amount is included in the totals which are being presented as savings.

Should Consider Loss of Revenue from Taxes

Mr. Davies said that the loss of revenue to the general fund due to no tax having been paid upon \$4,522,678 should be taken into consideration. Then, if the premium had been paid to the agents, they would have had to have paid additional income taxes and the merchants in the communities would have sold more merchandise and would have been subjected to additional taxes. Fire department dues would have been greater.

From 1917-1921, reinsurance was carried but then it was discontinued. The expense for this in 1921 was \$50,161 and that year the fund had a premium in-

President Lewis Reviews Meeting At Philadelphia

In the presidential address Fred J. Lewis touched on some of the subjects that were uppermost at the annual meeting of the National Association of Insurance Agents. He said the sessions were faithfully reported by the insurance newspapers and he took it for granted that most of his listeners were acquainted with what had transpired at Philadelphia. He urged the agents to study discussion on automatic cancellation. He recalled that the branch office question had been referred back to the conference committee of the National Association of Insurance Agents in the hope that with the development of company organizations and a closer cooperation of agents, ways and means will be found to eliminate this competition.

Local Boards Should Give Attention to 60-Day Rule

Mr. Lewis said the Wisconsin insurance department is entitled to commendation for discouraging the countersigning of contracts by special and state agents, particularly on non-resident brokerage business, in contravention of the intent of resident agency laws and to avoid taxes.

Mr. Lewis recommended that the resolutions committee give attention to the First National of Seattle, which he said is soliciting business in Wisconsin at 20 percent below manual.

Mr. Lewis said the collection problem will be minimized in Wisconsin if premiums are collected within 60 days, which is the intention of the Wisconsin anti-rebate law. Local boards might well consider action looking to enforcement of collection within 60 days, he said.

Offers a Suggestion to Impress with Responsibilities

Mr. Lewis said the lack of a qualification law and the practice of many companies in appointing agents in the hope, rather than the knowledge, that they will develop proper qualifications, suggests the necessity for some procedure by which agents on receiving state licenses, and particularly newly appointed agents, can be impressed with the responsibility involved.

Newly appointed agents are not ordinarily members of the state association and therefore not amenable to its influence and established standards, he declared.

Company representatives are disinclined to favor stumbling blocks in the way of agency appointments by the establishment of a preappointed course of instruction, Mr. Lewis asserted.

The department of insurance should send with each license a carefully prepared receipt embodying requirement that the state insurance laws and standard policies have been read; and that the agent recognizes the duty imposed by the license to acquaint himself with his obligations as agent to principal as well as to the public and to the state, he said.

come of \$154,120. If reinsurance were carried, as it would be as a safety measure if insured in reputable private companies, a hole would be made in the showing, according to Mr. Davies.

Examination of the surplus of the fund leaves the impression, according to Mr. Davies, that it lacks liquidity and if a heavy loss occurred, the surplus would suffer greatly.

The time has come to attempt to knock out the fund, he said. The 8,000 agents in the state could make a big impression. Furthermore, the agents should demand that every legitimate expense incurred in the operation of the fund find its way into the disbursement column.

A SEAT at the COUNCIL TABLE

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Thornton Tells How He Is Tackling Credit Problem

Asserting that the credit situation is one of the most serious problems confronting the agent today, W. C. Thornton of Fond du Lac, in his address before the Wisconsin agents, told of the steps his agency has taken for credit reform.

Mr. Thornton said that he took over an old established agency in 1929 and inherited the habit of most agencies and continued to extend credit, for fear of losing more business than had been contemplated in making the change.

For more than a year, Mr. Thornton said that his agency realized that the day of reckoning was on the way, but the issue was not faced until two months ago. At that time the agency discovered that already over one-sixth of its yearly premium volume in excess of what had been collected had already been advanced on this year's business.

Net Premiums Collected Are Being Paid Monthly

Starting with September business, Mr. Thornton said his agency is paying daily, or sometimes weekly, net premiums collected. The commissions earned are kept in a separate account and the office is run on those commissions and not from day to day on money collected and not paid to the companies, to whom it rightfully belongs, he said. The agency proposes to turn back to the Travelers uncollected accounts in 30 days, according to Mr. Thornton. The

business of the agency with the Travelers is about 50 percent of its total business. The Travelers will write direct to the client, giving him ample time to remit before canceling, according to Mr. Thornton. Before the cancellation notice goes out, the Travelers gets in touch with the agency and the agency may carry the account by advancing its own money if it desires.

The objection that will be advanced, he said, is that this is the agency's business and not the company's. "That is true," he said, "but isn't it also the company's problem to help you collect on slow and doubtful accounts? Isn't it better to ask them for their help, rather than wait for them to come in and take over your business? Today the Travelers has over 75 agencies in Wisconsin on this basis and among the 75 are five of their biggest agencies. Most of us who are members of the National association have been looking for some relief in the form of an automatic cancellation feature, but I would like to go on record as saying that the solution of this problem rests largely with you and me."

A \$1,000 write off, he pointed out, for uncollectible premiums represents the commission on \$5,000 to \$6,000 of business, not taking into account the time and effort. He asked whether it is not better to go on a cash basis and drop that much business and so acquire the peace of mind that will attend, knowing the house is in order.

Instructive Meet Held by Badgers

(CONTINUED FROM PAGE 27)

waukee gave the report of the legislative committee. He said the committee has been working on premium cancellations, and urged that the department consider some regulatory measures against adjusters for the insured. He said that the committee is working on an agents' qualification law which was sponsored in 1931 by the Wisconsin association but was defeated in the senate in that session.

Head of Wisconsin Field Men Heard on Cooperation

There also arose quite a bit of discussion when he suggested that the standard policy be amended to say that premium consideration should mean payment within 60 days or evidence of payment. This would allow an agent to use his own judgment in extending a note but the automatic cancellation would be incorporated. This discussion was followed by a talk on "Cooperation" by E. O. Spink, president of the Wisconsin Fire Underwriters' Association and state agent of the London and Manhattan Fire & Marine.

Jarvis Woolverton Mason Tells Results of Survey

Jarvis Woolverton Mason, advertising manager of the London Assurance, gave an address on "The Agent's Problems" in which he outlined the results of a survey which he had made among several thousand agencies in the country. In the round table discussion that followed, Monroe Porth of Milwaukee led the discussion on "Ethics." "In analyzing the needs of our clients," he said, "we must conscientiously spend time with them in cutting down their lines due to present conditions. Agents are making a serious blunder in insisting on maintaining all their lines and attempting to hold the amounts of the lines at their old figures. If we do not cut them down the insured will, of his

own accord, and we are very likely to have them cut way down."

In the discussion that followed E. C. Thornton of Fond du Lac brought up the subject of using mutuals or non-conference companies to hold business which would go to other agencies because of lower rates. In answer to this President Lewis said: "No assured can take time to pick his company. A qualified agent represents many companies and has the ability to represent many others. He is a middle man picking companies and indemnities for his customers. The mutual man is a direct representative of one company only. In time of loss it is a direct loss on his own company and the assured will have to deal direct with the company man. With the mutual representative he loses the advice and counsel of an agent."

W. B. Calhoun, past president of the National association, in talking on this question said: "We must adopt an attitude of consistency. We cannot carry water on both shoulders. We must come to some conclusion. If you decide on mutual companies then decide entirely on mutual companies. If you decide on stock have stock companies altogether. Choose one kind and hew strictly to the line."

State Fire Fund Is Big Issue, A. R. Davies Says

In leading the discussion on the state fire fund, Alfred R. Davies of Kenosha said whenever two or more Wisconsin agents meet there is quite likely to be mentioned the competition of the state fund particularly if their operations are conducted in areas in which are located properties insured in the fund. He maintained that the financial statement of the fund did not express the entire expenses which should be rightly charged to the fund. He showed, for example, that, although annual inspection service of the fund is assured, only \$100 was charged to inspection service in the state fund report of 1927, only \$75 in 1928, \$50 in 1929, \$1,663 in 1930 and nothing in 1931. He concluded his remarks by saying: "We as taxpayers and citizens are certainly entitled to petition that these financial statements reflect actual disbursements for every

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A & H REVIEW

character of work performed for or by the fund. Our position is no more or less than that of stockholders in a large corporation."

R. A. Bird of Beaver Dam and president of the Dodge county board spoke on the work that had been done in organizing this board. He said that 16 agencies were represented with a total of 23 members. They meet every month and each meeting is educational with talks from agents and field men.

Get-Together Dinner Is Highlight of Convention

Ralph Martin of Milwaukee spoke on "What I Have Learned About Membership." He is a member of the membership committee of the state association and, after outlining the many benefits he had received as a member, urged that each member of the association get a new member from his own city.

The afternoon program was closed by a talk by E. C. Thornton of Fond du Lac who handled the subject "Problems of a Local Agent." He dealt primarily with collection problems and said that his agency has recently adopted a plan whereby they turn back to their companies all uncollected accounts in 30 days. In this way the company will write direct to the client giving him ample time to remit before canceling and before the cancellation notice goes out the company can get in touch with the agent and on any account which he wishes to carry himself he still has the privilege.

The get-together dinner was the highlight of the convention. R. J. Neckerman of the Neckerman Agency of Madison was toastmaster and he handled his

job like a veteran. The talk by Commissioner H. J. Mortensen was attentively heeded. After reading his set talk he said that the matter of agency balances was vital. He recommended cancellation if the assured cannot pay in 60 days. In commenting on the practice of some agents to renew policies without notifying the assured he quoted figures in Wisconsin to show that one out of every seven policies written in the state is canceled because of that fact. He also advocated ceasing to pay return premium on policies where the rate has been reduced during the term of the policy. "Let the policies run until the end of the term at the original rate," he declared, "and then write a new one at the reduced rate." He took up the question of foreign brokers and agents writing Wisconsin risks. "The Wisconsin law," he said, "requires the assured to file under oath the name of the company carrying his risk. Whenever we find companies which carry risks out of the state we have notified them of that fact and told them they must have the policy written by a Wisconsin agent." He said the cooperation of companies has been good in this respect and has brought much business back to Wisconsin agents.

Protection Sellers Are Ignoring Best Protection

Commissioner Mortensen was followed by W. B. Calhoun. "We sell protection," he declared, "and yet there are many agents who do not buy the best business protection there is, namely, membership in their state and national associations. We are closer today in our relationship with companies than

ever before. I do not want to say that all the inconsistencies are on the side of the companies. Along with my travels around the country as president of the National association many of them were on the agent's side. Let's get rid of the selfish feeling that it is George's job to do organization work and mine to go ahead and run my agency and forget about organization. It is your work and my work."

Accident Prevention Is Discussed by J. J. Hall

The second day's session was opened by J. J. Hall, director street and highway safety of the National Bureau of Casualty & Surety Underwriters. He spoke on, "Conservation of Human Life, a By-Product of Insurance." He pointed out the tremendous economic losses from automobile accidents alone running well over \$2,000,000,000 and compared it with the balancing of the national budget. He pointed out how his commission had put through a uniform traffic code, how they had worked with schools, how they are cooperating with the American Legion and how they are now cooperating with the various large retailers of oil and gasoline by having their posters displayed prominently in all of the gasoline filling stations.

He was followed by Walter Belson, executive secretary of the Insurance Federation of Wisconsin, who discussed the legislative outlook for 1933. Instead of giving a routine talk as federation secretary, he said: "What I should like to do today is to depart a bit from the traditional federation secretary talk to give you a glimpse behind the scenes of

the state capitol and point out to you that nothing is too ridiculous, nothing too absurd to have a chance to pass."

Barrie Curran of Des Moines, special agent of the America Fore companies, in addressing the convention on farm insurance problems, said: "In 1920 our farmers were enjoying prosperity; the building comprised an important part of their farm operations. It behooved every farmer to keep his improvements in working condition in order to avoid any delay or loss of time in his money making program." He maintained that farm writing companies of that time could venture to assume liability on any line of farm improvements offered. Then came the days of depression. Prices kept going down until lack of funds obliged farm property owners to neglect their buildings. Foreclosures were prevalent and the farmer continued his struggle for existence. "If we could compile a chart of farm conditions and farm insurance loss from available statistics we would find farm conditions rapidly going down hill and farm insurance losses climbing steadily." He spoke at length of the local agent's obligation to his companies in making very careful selection of farm risks.

J. D. Murphy of the Green Bay Association of Commerce invited the convention to hold its next meeting in that city.

Dust Explosion Men to Meet

The committee on dust explosion hazards of the National Fire Protection Association will meet in Chicago next Tuesday. D. J. Price of the United States Bureau of Chemistry & Soils at Washington, is chairman.

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Raps Rebating on Existing Policies

(CONTINUED FROM PAGE 27)

they display activities along this line in respect to risks which are controlled by other agents. They advise the property owner that he may be entitled to certain credits which will reduce the rate and upon a reinspection and reduction of the rate, if such is made, the agent then interests himself in securing a return of the excess premium. In my opinion, this practice should be discouraged. A contract is a contract and when the assured has paid the premium at the rate applying to his property at the time of the issuance of the policy, there should be no expectation on his part nor solicitation in his behalf on the part of any agent to secure a return of any part of that premium during the term of the policy. Such a practice is contrary to the principles employed in other kinds of business and leads to practices among insurance agents which are harmful to all concerned."

Negligence in Settling Is One of Big Evils

One of the great evils of the business, according to Mr. Mortensen, is the negligence or indifference of agents in making settlements with their companies. He said that no agent should commingle with his own money that part of the premiums which belong to the company. The habit of depositing all premium collections in the agent's personal account or of withholding remittances for long periods is open to criticism, he declared. If immediate remittances are not made separate bank accounts are recommended and should be maintained to remove temptation, according to Mr. Mortensen. Definite periods of settlement, he said, should be a matter of agreement between agents and companies and should be strictly adhered to.

Premiums should be collected by the agent within 60 days from the issuance of the policies and that time should be sufficient for the agent to make settlement with his company, Mr. Mortensen said. The fact that the agent's earnings have been greatly reduced furnishes no excuse for any agent withholding moneys that come into his possession in his capacity as trustee, according to Mr. Mortensen. If current monthly remittances cannot be made and there is a justification for an extension of time in which to make settlement, then a separate account of the company's share of the premiums should be maintained by the agent and under no circumstances should he divert those funds to his own use. In so doing he violates one of the fundamental principles of the insurance business. He becomes a borrower of funds without the consent of the owner of the fund.

Breaches One of the Sacred Commercial Laws

"He thereby breaches one of the sacred commercial laws of business," Mr. Mortensen declared. "A tendency to so unlawfully use these premiums lowers the efficiency of the agency and eventually involves him in a situation from which he is unable to extricate himself. It can only bring disgrace and ruin. No person should be permitted to act as agent for any kind of insurance who fails in prompt settlement of his accounts payable."

Mr. Mortensen also criticized the practice of renewing policies without first consulting the assured. Probably one out of seven policies is renewed and returned for cancellation by the assured for no other reason, he said. The cost of issuing the policy and running it through the bureau and through the books of the companies in case of a flat cancellation is estimated at not less than \$1 per policy. Multiplying this by one-seventh of all the policies written produces an amount which is a material expense and must be charged to the operation of the business, he said. It re-

Department Head



H. J. MORTENSEN
Wisconsin Insurance Commissioner

solves itself into an increased cost of the business which must ultimately be passed on to the purchaser.

The general cover contracts in the Interstate Underwriters Board plan have "ingrafted themselves upon the insurance business," Mr. Mortensen said. By this method, he declared, much of the desirable business in Wisconsin is being written in home offices of the company or their larger agencies situated without the state. Thereby the agents of Wisconsin are being deprived of some of the most profitable business that justly belongs to them, Mr. Mortensen declared, "and yet our attention is called to the fact that local agents and other representatives are lending their assistance to this plan of underwriting."

"If the insurance agents," he declared, "are going to survive, it behooves each of them to fight for the business that justly belongs to them, to demand all the insurable property in Wisconsin be written by and through those who are authorized by the laws of Wisconsin to write that business."

Mr. Mortensen said that the agents spell the life or death of a company. Therefore, the character of applicants for agents' licenses should be well scrutinized, he said. Their business habits and financial standing should be investigated. The practice of promiscuously appointing agents without insurance experience and without regard to reputation or standing is condemned by all those interested in safe and sound underwriting and maintaining the business on a high plane. This practice, he said, is declining.

Acceptance of an agency contract carries with it vast responsibility, Mr. Mortensen said. If agents are not discriminating in accepting risks, if they fail to exercise good judgment in appraisal of property, if they purposely overinsure, ignore the hazards incident to risks or neglect to evaluate the moral risk, they have been derelict and fallen short of their responsibility.

The temptation to get, instead of to

earn, a commission is irresistible to some agents, he declared.

Insurance has a fiduciary character subjecting it to public regulation and supervision, he said. Hemmed in by regulatory laws, he said, subjected to an ever critical attitude of the supervising state departments, the companies need the assistance of the better type of agents to counsel and guide them. Companies must rely upon agents to inform them of conditions which are extraneous to the inherent physical structure of the risk, the exposure and all other elements that may not be fully ascertained from an analytic schedule.

An agent should have good knowledge of the insurance laws, Mr. Mortensen said. Only in that way is he in a position to safeguard the interests of the assured and protect the rights of the company. The agent should be qualified to explain all the provisions of the contract and direct the attention of the assured to the terms that must be lived up to.

The agent must be on his toes to detect moral hazard or incipient moral hazard. People of high standing may become bad moral risks because their financial status or family relations may suddenly change. The agent should be acquainted with these factors.

The agent should take cognizance of the general surroundings of the risk, its repair, the habits of the occupants in keeping the property free from combustible waste and materials. This requires constant checkup on the properties, a regular inspection and survey.

Need Golden Rule in Farm Business

(CONTINUED FROM PAGE 28)

fires and the local agent is not, as he is in rural territory, obliged to consider exposure or total loss features. The mercantile risk is serviced by the rating bureau and an adequate rate is fixed for the individual hazard.

Farm property insurance, on the other hand, presents a wide spread of risks, ranging from near fire-proof construction to the lowest classification. There is only one farm rate to apply and its adequacy may be determined only by the agent who views the property. Credit reports are readily available for mercantile risks, but the same source of information is not available in connection with the farm business.

The farm agent, Mr. Curran said, should make a thorough inspection to determine the type of construction used and the utility value of each building.

Equipment installed should be examined. Housekeeping should be checked and instructions issued for removal of conditions tending to create fire hazards. Chimneys, flues and stovepipes should be scrutinized. Suggestions should be issued for replacement of old wood shingle roofs. Fire prevention methods should be suggested. The financial condition of the prospective insured should be determined and his moral standing known.

Liberalization of farm contracts for reduction of rates is not to be expected, according to Mr. Curran, so long as results continue to grow more and more disastrous.

Welcome to Wisconsin AGENTS

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New Era of Cooperation Here, Spink Says

E. O. Spink, Wisconsin state agent for the London Assurance, in his address before the Wisconsin Association of Insurance Agents at Madison, said that a new era has arrived when an agent may consult freely with a company and receive sound, unbiased advice, and when the company may rely on the integrity and loyalty of the agent.

Mr. Spink enumerated certain obligations to which the agent should pledge himself if cooperation is to be effective. The agent, according to Mr. Spink, should be loyal in placing business and refrain from endeavoring to force one company into an act detrimental to its interests with the insinuation of another company's largeness of heart. The agent should not seek special privileges from one company to the detriment of another, he declared.

The agent should make careful underwriting an integral part of his relations with all his companies. He should zealously guard and account for all premium money.

The agent, according to Mr. Spink, should give consideration to his losses and not permit unwarranted allowances or payments to be taken or to be made. When other agencies are also interested

in a loss, he said, the agent should accord the same cooperation and fair play to which he is entitled from his competitors. The agent should let the sense of partnership prevail in all of his actions.

The companies likewise should observe certain principles in the new era of cooperation, according to Mr. Spink.

Through selfishness or thoughtlessness they have pushed the agents' problems into the background in order to further their own interests, Mr. Spink declared. An effort must be made by the company to develop a closer cooperation with the agent, he said. A company program must be planned which develops information and advice on current problems such as underwriting and collection. In a proposed change of rates or forms or the issuing of a new policy contract, a consultation between organized company representatives and a committee of the agents' organization will avoid dissatisfaction and tend to promote enthusiastic cooperation, Mr. Spink said. The companies must ultimately reach the conclusion that the only proper medium through which to do business is the legitimate, qualified agent.

Ontario Agents Are Meeting

Feller and Magrath of New York on Toronto Program—Consider Premium Finance Plans

TORONTO, Oct. 12.—The Ontario Fire & Casualty Insurance Agents Association will meet here tomorrow and Friday. S. R. Feller, New York deputy superintendent, will speak on agents' qualification laws; J. J. Magrath, chief of New York rating bureau, on "Operations of the Rating Bureau Systems in New York State"; J. P. Bickell, registrar of motor vehicles in Ontario, on "Automobile Legislation Results"; A. Leslie Ham, Winnipeg manager Canadian Surety, on "New Automobile Insurance." Superintendent G. D. Finlayson of Canada will speak at the annual banquet. Insurance premium finance plans will be considered at the meeting.

Death of A. G. Sawyer

A. G. Sawyer, secretary of Frank C. Edwards Company of Jacksonville, Fla., general agent for a number of fire companies, died after a brief illness.

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912.

Of The National Underwriter, published weekly at Chicago, Illinois, for October 1, 1932.

State of Illinois, } ss:
County of Cook, }

Before me, a Notary Public, in and for the State and county aforesaid, personally appeared John F. Wohlgemuth, who, having been duly sworn according to law, deposes and says that he is the secretary of the National Underwriter Co., publishers of the National Underwriter, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, printed on the reverse of this form, to-wit:

1. That the names and addresses of

the publisher, editor, managing editor, and business managers are:

Publisher—The National Underwriter Co., Chicago, Ill.
Editor—C. M. Cartwright, Evanston, Ill.

Managing Editor—C. M. Cartwright, Evanston, Ill.
Business Manager—H. J. Burrage, Hinsdale, Ill.

2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one percent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual member, must be given.)

The National Underwriter Co., Chicago, New York, Cincinnati.

E. J. Wohlgemuth, Cincinnati, Ohio.
C. M. Cartwright, Evanston, Ill.
H. J. Burrage, Hinsdale, Ill.
G. W. Wadsworth, Chicago, Ill.
John F. Wohlgemuth, Hinsdale, Ill.
H. M. Diggins, Cincinnati, Ohio.
R. E. Richman, Cincinnati, Ohio.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages or other securities are: (If there are none, so state.)

None.

4. That the two paragraphs next above, giving the names of the owners, stockholders and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in case where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest, direct or indirect in the said stock, bonds, or other securities than as so stated by him.

JOHN F. WOHLGEMUTH,
Secretary The National Underwriter Co., publishers The National Underwriter.
Sworn to and subscribed before me this 24th day of September, 1932.

JOHN B. BERENSCHOT,
Notary Public.
My commission expires Dec. 31, 1932.

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The National Underwriter

October 13, 1932

CASUALTY AND SURETY SECTION

Page Thirty-five

Agency Managers to Play Big Part

Major Factor in Getting Accident Insurance Back on Paying Basis: Rathbone

SOME MISTAKES LISTED

Lack of Agency Records, Overinsurance, Carelessness in Classification Cause Much Trouble

Stating that the companies have decided to quit trying to operate investment trusts and get back into the insurance business, J. V. Rathbone, superintendent of agents of the Continental Casualty, in his address before the Accident & Health Insurance Club of Chicago Monday, emphasized the important part that general agents or agency managers have to play if accident and health insurance is to be put back on a paying business.

Speaking from a background of 30 years' experience, he made some comparisons at the outset between the loss ratios of some of the leading companies on accident and health business in 1905 and 1932. In the former year the accident loss ratios of the companies cited were from 44 to 49 percent and on health insurance from 33 to 46 percent, while for the same companies in 1932 loss ratios ran from 49 to 60 percent on accident and from 67 to 79 percent on health insurance. The policies in those early days had many restrictions, he said, but the companies held to them fairly well, and made money.

All "Fell for" Double Indemnity

When double indemnity for travel accidents was introduced by one company, all the others "fell for it." "I don't think the public ever asked for it," Mr. Rathbone said. Later it was extended to automobile accidents, "the biggest loss factor in the business," for a small additional premium. Then came the accumulation feature, which had some arguments in its favor as a means of increasing persistency, but in a year or so the principal sum was increased from \$5,000 to \$7,500, which destroyed all the effectiveness of that argument.

In the old days two or three years was the limit for payment of accident indemnity. Then some companies began paying for life for "his occupation." Aside from the actual drain of losses, it required the setting up of immense reserves and many cases were "bought off" at a high figure in order to draw down those reserves. This resulted in what he described as "the most expensive disease—pension neurosis." He said the effect on lifetime indemnity recipients was the same as that of the dole in England; they lost all independent moral fiber. He told of a case in Kansas City where a policyholder was supposed to have suffered a severe nervous shock in

(CONTINUED ON NEXT PAGE)

Bonding Department Staffs of Two Companies Combine

ADD TO NEW YORK FACILITIES

Mobley and Duke New York Resident Vice-Presidents of New Amsterdam Casualty

NEW YORK, Oct. 12.—In a merger which will give greater metropolitan facilities to both companies, the home office bonding department of the United States Casualty and the metropolitan bonding division of the New Amsterdam Casualty have joined forces here under the joint management of Nathan Mobley, who has been assistant secretary of the United States Casualty in charge of country-wide bonding operations, and J. B. Duke, who has been the New Amsterdam's bonding manager in this city for three years.

Under the new arrangement Messrs. Mobley and Duke will be resident vice-presidents of the New Amsterdam. The significance of the move is that it will give added strength to the New Amsterdam Casualty in providing greater bonding facilities for handling metropolitan business. At the same time, centralization of the bonding divisions of both companies at one point will make for greater efficiency in operations.

Details of Arrangement

The United States Casualty's home office work will continue to be handled by Resident Vice-president Mobley as heretofore although the New Amsterdam's home office in Baltimore necessarily will service many of the United States Casualty's out-of-town bonding agents through its various branch offices.

Under the new set-up the former staff of the New Amsterdam Casualty will be augmented by the following United States Casualty bonding underwriters: W. LaPorte, more than 25 years in the business, who becomes assistant secretary in charge of fidelity and blanket bond underwriting; A. J. Entwistle, previously 14 years with the American Surety, who will handle contract bonds; W. Downs, claims; S. Neely, son of the late H. Neely of the Ocean, assistant underwriter; and George McEwen, production. Mr. McEwen will work in collaboration with B. E. Joline, New Amsterdam production man. Court bond business will continue to be handled by Merton Steele.

Downs Host to Staff

The uniting of the two departments was given an auspicious send-off last week-end when the departmental managers were the guests of Mr. Downs at his camp on Lake Stahaha, N. Y. Mr. Mobley began his career with the Fidelity & Deposit, traveling the country first as production man and later serving as metropolitan production manager. When the United States Casualty went into bonding business he was selected to manage its department and has built it up from "scratch," making an excellent underwriting record in so doing.

Mr. Duke has spent his entire business career with the New Amsterdam, joining the company in its Baltimore home office 16 years ago as an underwriter, then

Van Schaick Gives Approval to New Aviation Risk Board

OUTLINES ITS OBJECTIVES

Title "Board of Aviation Underwriters" Sanctioned by New York Superintendent for Permanent Group

NEW YORK, Oct. 12.—The "Board of Aviation Underwriters" has been adopted as the designation of the aviation rating body which has now been formally approved by the New York department after operating on a provisional basis for the last two months. The new organization has made a uniform filing of premium rates and rules for underwriting aviation risks for the following:

Aviation Groups Included

Associated Aviation Underwriters, Barber & Baldwin, United States Aviation Underwriters, the Travelers group and the National-Continental group. The board is the result of a meeting called last summer by Superintendent Van Schaick in an endeavor to correct the unfavorable loss experience caused by too flexible rates, which gave rise to rate-cutting competition.

In giving its approval the department made the following statement: "Aviation insurance has not yet emerged from its experimental character and it has therefore been deemed necessary to permit the reasonable exercise of judgment in the assignment of various classes of hazard to a schedule of rates that still admits of flexibility. The flexibility in the new schedule now filed has been restricted within a narrower range than heretofore prevailed, and the assignment of risks to ratings under that schedule will be made by a committee of the board."

"The assignment of risks to ratings under the now uniform tariff will be subject to the review to which any assured is entitled upon application to the department. The filing includes insurance of hazards of transportation and in addition, the liability of airplane carriers to passengers and others from injury to persons or property."

Objectives of New Board

"The board proposes to study accident prevention, the promotion of safety and the compilation of experience statistics. The creation of the board will coordinate insurance practices and extend conservation work of the insurance companies into the aviation field."

W. J. McCaffrey, vice-president Royal Indemnity, was chairman of the main committee which was formed as a result of the first conference with Mr. Van Schaick. D. C. Beebe, president of the United States group, was chairman of the special organization planning committee.

becoming assistant manager of its city department there. In January, 1930, he was transferred to New York as fidelity and surety manager. Mr. LaPorte spent ten years with the Fidelity & Deposit, then six years with the New Amsterdam in New York and nine years with the Royal Indemnity at its home office before joining the United States Casualty.

Large Companies' Replies Are Slow

New York Department Awaits Answers Regarding Compensation Acquisition Costs

MEDICAL BILL BIG ISSUE

Reopened Cases Also on Increase Since Depression Started—Head Injury Cases Troublesome

NEW YORK, Oct. 12.—Thus far but few replies have been received by the New York insurance department to the questionnaire sent all companies writing compensation in the state, seeking information as to their acquisition costs, and particularly with respect to charges for medical and surgical service. Such replies as have come to hand have been from small companies.

Obviously companies writing heavy volumes of business require more time for preparation of data, its compilation compelling a careful searching of records for some time past. The mounting costs of medical service and the appeal of stock carriers that this factor should be taken into serious account by the department in considering the appeal for an additional rate increase in the state, is a troublesome one upon which the department is anxious to obtain such positive information as the companies may be able to procure in support of their contention.

Explanation of Increase

One explanation offered as to the increased charge for medical and surgical attendance in the past two years is that doctors and surgeons have been paying more attention to their collections than previously and that this has had its effect in the greater sums carriers have been called on to expend. Medical costs have been advancing steadily for some years, constituting an added burden with which to contend, and which a special committee of the National Council on Compensation Insurance is investigating.

Another reason for the need for the additional rates asked by the carriers is the considerable number of reopened cases submitted them since general industrial depression set in. While a percentage of these cases are unquestionably due to malingering, proof is difficult to obtain, and companies are forced to settle upon such basis as can be effected.

Head Injuries Troublesome

Other claims, however, are genuine, notably those affecting the head, and it is these that prove troublesome. In these days of business depression, employers of labor exercise unusual care in the retention of employees or in hiring new help, preference being given those in sound physical condition. This careful scrutiny often militates against the

(CONTINUED ON NEXT PAGE)

Fraudulent Accident Rings Uncovered in Three States

FIND 33 PERSONS INVOLVED

Preparation for 12 Years Through
Exhaustive Study Is Credited to
Member of Gang

SEATTLE, Oct. 12.—A fake-accident insurance fraud involving a ring of some 33 men and women has been uncovered by federal operatives in Snohomish county.

A Seattle man went to an insurance company attorney and stated he had been approached with a proposition that he help arrange a fake automobile accident by which to collect insurance. The lawyer advised him to go through with the plan, and this informant will be the government's star witness.

It is stated that one member of the ring studied medical books, underwriting texts and insurance company reports for 12 years before launching the scheme which netted members between \$34,000 and \$35,000 in the past seven years.

DETROIT SWINDLERS PLEAD GUILTY

DETROIT, Oct. 12.—Samuel Garber and Sidney Jacobs, alleged members of the insurance racket gang that has swindled insurance companies out of \$100,000 in Detroit through fake accident claims, have pleaded guilty to charges of obtaining money under false pretenses and will be arraigned later in the week. They are specifically charged with obtaining \$300 from the Aetna through a fake claim.

ST. LOUIS GANG INDICTED

ST. LOUIS, Oct. 12.—The grand jury for the St. Louis circuit court for criminal causes has returned an indictment charging Burt A. Kaemmerer and Jack C. Hobart, attorneys; Dr. Samuel Wolf, physician, and Arnold Hart, a self-styled former ambulance chaser, with attempting to obtain money through false pretenses in connection with a \$143 settlement of mythical injuries in fake automobile accident case.

Large Companies' Replies Are Slow

(CONT'D FROM PRECEDING PAGE)

man who has sustained a previous injury, and is a strong influence in inducing him to reopen a compensation case that under normal industrial conditions he would not dream of doing.

That the medical fraternity is interested in the general situation is attested by the request of the American Medical association that it be furnished a summary of the findings disclosed by the department questionnaire. The carriers still have about ten days in which to file their replies.

Trial of Day, McCutchan Set for Week of Oct. 17

KANSAS CITY, MO., Oct. 12.—Federal Judge Reeves has indicated he will overrule a defense demurrer to the mail fraud indictment against J. B. McCutchan and Darby A. Day. Trial is scheduled for the week of Oct. 17.

McCutchan and Day, promoters of the Chicago Fidelity & Casualty, are charged with having placed in this company's assets notes and mortgages with a purported value of \$1,400,000, secured by land the government contends was worth much less. The indictment charges policyholders were defrauded by McCutchan and Day, and that the defendants committed fraud when they purchased the Automobile Underwriters of Dallas with stock of the Chicago F. & C.

Agency Managers to Play Big Part

(CONT'D FROM PRECEDING PAGE)

an automobile accident to which there were no witnesses. He had a policy for \$75 a week and sued for \$240,000 on the basis of his life expectancy. The case eventually cost the company \$50,000.

On health insurance house confinement was originally required, but many policies were issued paying for life without that requirement.

"It's too bad we can't do these things," Mr. Rathbone said, "but if we do we are going to get the rates so high that the situation will be about where it is for automobile collision. The average man just quit buying that form and the only purchaser today is the target risk."

Urges Spreading Coverage

"Isn't it better to spread the coverage to meet the needs of the average policyholder, rather than soak the whole body of policyholders for the benefit of a few?"

He held that agency pressure was as much responsible for the conditions that have developed as the companies' desire for volume. "The agents and agency managers wanted not merely to meet but to beat competition," he said. Now, with the need for a change apparent, the agency men must cooperate with the companies in putting the business on a better basis.

Agencies Must "Play Game"

"I've been ruthless in killing agencies where they won't play the game," he continued, "where they have a consistently high loss ratio. It's astonishing to see the hit-or-miss methods that are followed in some general agencies. In visiting some of these agencies I have often asked about the record of a particular agent or broker. The answer would be that he had collected \$5,000 in premiums. When I ask about his loss ratio, they 'don't know.'"

"One of the essentials in a properly managed agency is a monthly statement of what every individual producer is doing."

Yardstick for Submitting Risks

"In the presentation of risks, there is just one yardstick that the agency manager should use: 'Do I feel justified in betting my cash on this risk?' If not, don't pass it on to your company. At least 80 to 90 percent of the grief in connection with accident and health insurance dates back to the time when the application was written."

The first point Mr. Rathbone mentioned in connection with selection of risks was overinsurance, which he described as writing business on such a basis that the insured actually makes money out of his disability. This condition, he said, exists in both commercial and industrial business. Many business and professional men are not making

anything like the income to justify the amount of indemnity they are carrying. In the same way the industrial worker, insured for \$75 or \$100 a month, may be working part-time and making only \$30. He held that the only successful way of writing accident and health insurance is to adopt the coinsurance idea and make the insured stand part of the loss.

Care in Classification Needed

The question of occupational classification was the next one he brought up. He said that there is a constant effort on the part of the agent or broker to get his client into a preferred occupation when he doesn't belong there. Then when a claim arises there is a pro-rate and the results are harder on the agent than on the company. "A lot of this comes about," he said, "because the agent isn't told."

In that connection he spoke briefly of the problem of getting and holding good agency material. He advocated painting the dark rather than the bright side of the picture to prospective agents, stating that many men had been brought into the business under a mistaken idea. He emphasized at the same time the necessity for weeding out unprofitable agents, in the same way that the companies are cutting out unprofitable general agencies.

Rider Device to Aid Agent

In referring to the use of riders, he said it was unfortunate that the term "restrictive rider" had ever been used. "The rider," he said, "is really a device to make it possible for an agent to make more money—to accept the man not otherwise insurable. It is the only way a company can handle what is not an average risk."

In connection with the need for readjustments in the accident and health field, he pointed to the experience of the life companies with their disability coverage and said that they "won't be through paying for many years." He spoke of the fact that the life companies had to accept their disability risks on a life insurance basis, and pointed out the difference as regards certain classes of insured. "They don't want to die," he said, "but how they can use accident and health or automobile insurance!"

Glad to Get Business

"The life companies are now letting us have this accident and health business back, and we accept it with thanks. With any sort of return to normal business conditions, I believe that more cancellable accident and health insurance will be written in the next five years than we have ever dreamed of, as a dividend from the advertising the life companies have given to this form of protection."

Postal Welfare Association Gets Lower Rate Insurance

OMAHA, Oct. 12.—There is much opposition being noticed by insurance men in this city as to the plan followed by the Postal Welfare Association. It is stated that the Northwestern Casualty of Seattle has a contract whereby it is insuring automobiles of members of this organization, which are postal employees, guaranteeing a lower rate than regular companies charge. As soon as a certain number have signed up, a master policy will be issued. The representative of the association will collect from the members and turn over to the Northwestern Casualty the net premium. It is stated that complaint will be made to the state insurance department.

The State Farm Mutual Auto has appointed E. H. Wrenn, Jr., as district manager in Birmingham, Ala.

Chicago A. & H. Club Plans November Sales Congress

At the meeting of the Accident & Health Insurance Club of Chicago Monday, further plans for the Accident & Health Sales Congress to be staged by the club Nov. 16 were outlined. President R. W. Abbott, Maryland Casualty, who is chairman of the executive committee in charge of the congress, announced as the other members of his committee Harold R. Gordon, executive secretary Health & Accident Underwriters Conference; Percy D. Smith, Aetna Life; C. W. Davis, Pacific Mutual, and I. J. Trenary, Provident Life & Accident.

F. W. McIntosh, Monarch Life, chairman of the publicity committee, announced that C. T. Redfield of Redfield & McGurk, Mutual Benefit Health & Accident, would be associated with him in the publicity work for the congress.

Bar Endorses Compensation Plan for Auto Accidents

DRASTIC CHANGES ARE URGED

Philadelphia Law Group Adopts Recommendations of Special Committee
on Motor Vehicle Law

PHILADELPHIA, Oct. 12.—The Philadelphia Bar Association has adopted the recommendation of a special committee calling for drastic changes in the motor vehicle law.

Recommendations call for adoption of a statutory plan of compensation for personal injuries and death caused by autos, with limited liability and without regard to fault, similar to workmen's compensation law; enlarging liability of car owners so as to include liability for negligence on part of any person operating machine with owner's consent and including in any financial responsibility law a provision requiring proof of financial responsibility of operators as well as owners; revocation of licenses of defendants who fail to pay final judgment.

The report says the study of 52 auto accidents in Philadelphia, where death occurred, showed damage paid in only 12 instances and in only three cases was amount sufficient to pay funeral expenses of victims. Out of 200 non-fatal accidents, where no insurance was carried, damage was paid in only 30 percent of the cases, with actual monetary loss covered in only 17 percent.

Indiana Agents in Rally

E. R. Hobbs of Peru, Ind., has been appointed district manager for north-eastern Indiana by the Monarch Life, and K. H. Mandel has been transferred from southern Indiana to the South Bend territory.

Announcement of these appointments was made at the district meeting of the Indiana agency of the Monarch Life at Indianapolis, the first meeting since the arrival of Cliff Coleman, Indiana manager, from the Pacific Coast early in this year to take charge of the office. Present from the home office were President C. W. Young and Vice-President J. W. Blunt. The Indiana agency is tenth in the company.

Plan for Congress Oct. 28

LOS ANGELES, Oct. 12.—At a meeting of the program and publicity committees of the Accident & Health Managers Club of Los Angeles last week, final plans were discussed for the sales-congress Oct. 28. There will be six principal speakers.

American Indemnity Appointments

J. W. Bourland, who has been traveling Kentucky for the Union Indemnity, has joined the American Indemnity of Galveston as its Kentucky representative. Mr. Bourland was connected with the Metropolitan Casualty in Indianapolis and Kentucky before joining the Union Indemnity.

Fred G. Colborne has been appointed representative for the American Indemnity in North and South Carolina, with headquarters in Charlotte. He was previously connected with the Southern Surety and Home Indemnity in those states.

Maring with Fidelity & Casualty

Gilbert F. Maring has been appointed special agent for the Fidelity & Casualty in Oregon with headquarters at Portland. He was formerly with a local agency in Salt Lake City and was at one time with the United States Casualty. C. B. Cornell, Pacific Coast manager of the F. & C., is in the Pacific northwest to arrange for amalgamation of the Oregon headquarters of the Fidelity & Casualty and America Fore fire companies.

Fake Auto Suit Is Halted; Parties to Be Prosecuted

JUDGE STOPS CHICAGO SUIT

Effort to Defraud Lumbermen's Mutual
Casualty of \$50,000 on Fake
Personal Injury Fails

An effort to defraud the Lumbermen's Mutual Casualty of \$50,000 came to grief in the Chicago courts when Judge David halted a personal injury suit arising out of an alleged automobile accident and ordered criminal proceedings on charges of operating a confidence game begun against Frank Curatola of South Beloit, Ill., defendant in the damage suit, and the plaintiffs, John Gammicchio and his wife of Chicago.

Curatola, who held an automobile policy in the Lumbermen's, was charged with running down the plaintiffs with his automobile. It was claimed that he had taken the victims, who were supposedly unconscious, to their home instead of to a nearby hospital, and since that time had not had contact with them. The Gammicchios were unable to produce witnesses to the accident but testified that their injuries had been attended by a Dr. Stanley Veselsky, who did not appear as a witness. Both plaintiffs and the defendant claimed they were strangers to each other.

It was brought out, however, that Curatola and the Gammicchios had been neighbors in Marsaka, Italy, and came to the United States simultaneously in 1906. Motion pictures showing Curatola calling at the Gammicchio home since the accident had been made, controverting the claim that they were utter strangers. It was also shown that two years ago Curatola's wife had received a \$10,000 settlement in a similar accident case and that on that occasion a Dr. Stanley Veselsky testified for her.

INSURANCE STOCK QUOTATIONS

By H. W. Cornelius, Bacon, Whipple &
Co., 112 W. Adams St., Chicago

Stock	Par	Div. per	Bid	Asked
Aetna Cas.	10	1.60	30	33
Aetna Fire.	10	2.00	27	28
Aetna Life	10	...	13	15
Amer. Alliance	10	...	11	12
American, N. J.	2.50	.50	7 1/2	8 1/2
Amer. Surety	25	...	14	16
Automobile, Conn.	10	1.00	14	15
Baltimore Amer.	2.50	...	3	4
Boston	100	16.00	310	335
Carolina	10	...	12	14
City of N. Y.	100	...	90	100
Conn. Genl.	10	1.20	30	34
Continental Cas.	5	...	8	9
Continental Ins.	2.50	1.20	14	15
Fidel.-Phenix	2.50	1.20	14	15
Fireman's Fund	25	3.00	39	41
Fireman's F. Ind.	16	20
Firemen's	5	.60	7	8
Fire Assn., new	10	.80	23	26
Glen's Falls	10	1.60	31	33
Globe & Rutgers	25	...	108	118
Great Amer. Ind.	1	...	5	7
Great American	5	1.00	11	13
Halifax	10	1.20	10	12
*Hanover	10	1.60	20	22
Harmonia	10	1.80	9	10
Hartford Fire	10	2.00	33	35
Home, N. Y.	5	1.00	13	15
Hartford St. B.	10	1.60	37	40
Homestead	10	...	8	9
Imp. & Export	25	...	7	11
Ins. Co. of N. A.	10	2.00	33	35
Maryland Cas.	2	...	5	6
Missouri State	10	...	9	10
National Cas.	10	1.20	6 1/2	7 1/2
National Fire	10	2.00	33	35
National Liberty	2	...	3	4
National Surety	10	...	9	10
National Union	20	...	34	36
*New Amst. Cas.	10	2.00	19	20
New Brunswick	10	...	10	12
New Hampshire	10	...	33	36
N. W. National	25	5.00	80	84
Phenix, Conn.	10	2.00	39	40
Proy. Wash.	10	...	15	17
Sprgfd. R. & M.	25	4.50	60	63
St. Paul F. & M.	25	6.00	100	102
Sun Life	100	...	260	275
Travelers	100	16.00	310	325
U. S. Fire	4	1.00	17	19
U. S. F. & G.	2	...	5	6
Westchester	10	...	12	13

*Ex div.

Qualifying Powers of Surety Companies with U. S. Treasury

The Treasury department has published the list of companies holding certificates of authority from the Secretary of the Treasury as acceptable sureties on federal bonds. The net limit for which they may be accepted on any one bond is given, that being ten percent of capital and surplus of domestic companies and ten percent of net assets of alien companies. Investments of the companies in bonds were generally allowed at amortized values and stocks at average of market quotations on June

30, 1931, and June 30, 1932.

A temporary rating is given the Detroit Fidelity & Surety pending completion of its merger into the Lloyds of America. A rating is not given the Lloyds Casualty or Constitution Indemnity, which are also to be taken by the Lloyds of America.

The rating of the Independence Indemnity was omitted at the request of the company pending completion of plans for refinancing.

The list follows:

	Capital	Surplus	Net limit on any one bond
Associated Indemnity	\$ 500,000	\$ 561,478	\$ 106,000
Fireman's Fund Indemnity	1,000,000	1,944,929	294,000
National Automobile, Los Angeles	250,000	141,714	39,000
Occidental Indemnity	500,000	707,806	121,000
Pacific Indemnity	1,500,000	2,256,410	376,000
Aetna Casualty	3,000,000	7,313,444	1,031,000
Century Indemnity	750,000	422,264	117,000
Hartford Accident	3,000,000	7,366,078	1,037,000
International Reinsurance	1,500,000	1,000,000	250,000
Mellbank Surety	250,000	5,321,450	557,000
St. Paul-Mercure Indemnity	900,000	412,262	131,000
Continental Casualty	1,750,000	2,430,759	418,000
Inland Bonding	300,000	260,000	56,000
Western Casualty & Surety	750,000	344,510	109,000
Union Indemnity	1,000,000	279,092	128,000
American Bonding	1,000,000	609,105	161,000
Fidelity & Deposit	2,400,000	4,929,973	733,000
Maryland Casualty	1,000,000	2,533,793	359,000
United States Fidelity & Guaranty	2,000,000	6,126,251	813,000
American Employers	1,000,000	673,785	167,000
Massachusetts Bonding	4,000,000	1,742,644	574,000
Detroit Fidelity & Surety	1,000,000	...	100,000
National Casualty	750,000	500,000	125,000
Standard Accident	1,213,360	528,392	174,000
Central Surety	1,000,000	612,199	161,000
Employers Reinsurance	1,500,000	1,594,141	309,000
Bankers Indemnity	1,100,000	584,064	168,000
Commercial Casualty	1,000,000	596,924	160,000
Excess	750,000	1,076,147	183,000
International Fidelity, Jersey City	300,000	1,508,111	180,000
Public Indemnity	760,000	77,267	84,000
American Surety	7,500,000	1,608,945	911,000
Columbia Casualty	1,000,000	2,079,144	308,000
Concord Casualty	571,760	119,247	69,000
Consolidated Indemnity	800,000	1,040,867	184,000
Eagle Indemnity	1,000,000	1,577,734	258,000
Fidelity & Casualty	2,200,000	1,022,629	322,000
General Indemnity	750,000	372,845	112,000
General Reinsurance	1,000,000	1,731,323	273,000
General Surety	2,500,000	1,555,431	406,000
Glen's Falls Indemnity	1,000,000	796,274	180,000
Globe Indemnity	2,500,000	7,704,767	1,020,000
Great American Indemnity	750,000	2,208,752	296,000
Greater City Surety & Indemnity	262,500	88,510	35,000
Guardian Casualty	650,000	...	65,000
Home Indemnity	1,750,000	719,641	247,000
Lexington Surety & Indemnity	250,000	49,552	30,000
London & Lancashire Indemnity	750,000	576,852	133,000
Metropolitan Casualty	1,000,000	567,764	157,000
National Surety	3,000,000	15,297,166	1,830,000
New Amsterdam Casualty	4,500,000	2,736,324	724,000
New York Casualty	1,000,000	...	100,000
Preferred Accident	875,000	1,423,915	230,000
Royal Indemnity	2,500,000	5,618,735	812,000
Seaboard Surety	1,000,000	569,998	157,000
Standard Surety & Casualty	1,500,000	1,683,758	318,000
Sun Indemnity	1,000,000	880,673	188,000
United States Casualty	750,000	500,000	125,000
United States Guarantee	1,000,000	2,619,863	362,000
Ohio Casualty	600,000	317,168	92,000
Western & Southern Indemnity	500,000	946,300	145,000
Alliance Casualty	1,000,000	776,714	178,000
American Reinsurance	1,000,000	2,502,778	350,000
Eureka Casualty	500,000	599,240	110,000
Indemnity of North America	1,000,000	2,316,156	332,000
Western Security, Sioux Falls	286,900	223,243	51,000
American General, Houston	400,000	301,367	70,000
American Indemnity, Galveston	1,000,000	543,240	154,000
Commercial Standard, Dallas	400,000	226,242	63,000
Employers' Casualty, Dallas	300,000	111,666	41,000
Texas Indemnity	300,000	128,867	43,000
General Casualty	500,000	643,019	114,000
United Pacific Casualty	400,000	277,256	68,000

Foreign Companies Authorized for Reinsurance Only

	Net Assets	Net limit on any one bond
Employers' Liability	\$5,796,636	\$580,000
European General Reinsurance	2,500,000	250,000
Guarantee of North America	1,412,332	141,000
London Guarantee	3,299,624	330,000
Ocean Accident	5,974,767	597,000

National Roosevelt Group Is Formed in Insurance

The National Insurance Associates, a Roosevelt-Garner campaign organization has been formed in New York. John A. Griffin of New York, who is well known and has worked with Governor Roosevelt for a long time is national chairman. State chairmen are being appointed. Arthur S. Schwartz of Chicago, vice-president Insurance Brokers Association there, is Illinois chairman. S. N. Eben, of Eben, Baxter, Harstedt & Co., New York, average adjusters, is treasurer. Harry Hyatt is secretary. A number of Fidelity & Deposit men already have joined the group to elect

their former vice-president as President. It is urged Mr. Roosevelt sponsored and signed the New York agents and brokers qualification law and insurance men should support him.

Drake with United Pacific

Rush S. Drake, who recently resigned as supervisor of the automobile department of the General of Seattle group, has been appointed assistant underwriting manager of the United Pacific Casualty.

E. C. Dooley has been appointed special agent for the Continental Casualty and Continental Assurance for southwest Texas, with headquarters in San Antonio.

Fidelity Business Drops, But Fortunately So Do Losses

SUB-COMMITTEE MAKES STUDY

Question of Making Charge for Mysterious Disappearance Clause Being Seriously Considered

NEW YORK, Oct. 12.—Generally speaking, casualty and surety companies report a falling off in their fidelity bond business. This condition is natural in view of curtailment of personnel by many industries and business institutions throughout the country.

Happily, the reduction in premium income has been accompanied by a decrease in losses. Occasionally, however, a stiff claim is presented, as when one company was notified of a \$100,000 shortage under its bond, and another was hit for \$80,000 under a blanket position cover.

Sub-committee Makes Study

To a sub-committee of the fidelity bond committee of the Surety Association of America has been assigned study of what may be described loosely, "as the assumption of liability for mysterious loss or disappearance" clause; that is, responsibility for loss of funds that cannot be traced to any particular employee and yet which obviously disappeared, whether through the dishonesty of one or more of the staff or as a result of pure carelessness.

While such assumption of liability forms part of the bond stipulations of one of the standard forms, it is assumed in the others through the medium of rider attachment. No charge is imposed for this added hazard, though just why has never been clear. Some companies feel that if they are to continue granting the concession an additional charge should be made for it, and the question will be threshed out later.

Opens Chicago Office

The New York brokerage firm of John C. Litt & Co., which specializes in blanket bonds for stock brokerage houses, has opened a Chicago office at 105 West Adams street. Albert O. Phelps, vice-president of Litt & Co., is in charge of the Chicago office. He has been with Litt & Co. about two months, formerly having been in the blanket bond department of the National Surety for four years and before that with the New York Indemnity.

Denis M. Hynes, vice-president of Litt & Co., is in Chicago temporarily. F. X. Xiques, president of the firm, expects to visit the Chicago office frequently.

Appointments by General Accident

TORONTO, Oct. 12.—The General Accident of Canada has appointed T. H. Bell, chief claims adjuster, as superintendent of agencies; J. McCaughey, inspector for central Ontario, becomes resident inspector at Ottawa; Roy V. Curtis, adjuster, has been appointed chief claims adjuster.

Sperry With the Associated

SAN FRANCISCO, Oct. 12.—Fred D. Sperry, former superintendent accident and health for Aetna Life companies affiliated under J. R. Molony and later in the same position with the Southern Surety, has been appointed superintendent in charge of accident and health operations for the Associated Indemnity, according to announcement of C. W. Fellows, president, who states the company is to become more aggressive in this field, particularly in view of recent rate increases and standardization of forms and practices which make this classification now more attractive.

WORKMEN'S COMPENSATION

Jobless Insurance Creeps In

Commissioner Spencer Warns of the Tendency to Convert Compensation Into Unemployment Protection

Commissioner Spencer of Maine has issued a warning that mounting losses and increased costs of administration threaten the popularity and permanence of compensation insurance. He said that one of the greatest problems is the tendency to convert compensation into unemployment insurance.

Partial Compensation

Reduced operation has not resulted in a corresponding decrease in accident claims, Mr. Spencer said. Injured employees insist upon more liberal disability benefits and contest a larger percentage of the old as well as more recent claims. There is an increasing demand for partial compensation on account of lowered wage scales or failure to find employment. Days lost in industry must be paid from some source, according to

Mr. Spencer. He said that if unemployment insurance is put into effect, it will be at the behest of the politician who entices illiterate voters rather than at the behest of labor itself.

New Missouri Schedule Filed

Average Increase on 700 Compensation Classifications from 18 to 20 Percent—Effective Jan. 1

ST. LOUIS, Oct. 12.—The National Council on Compensation Insurance has filed with Superintendent Thompson an application for a revision of rates for some 700 classifications and increasing the individual items from 18 to 20 percent, effective Jan. 1.

The Missouri insurance department's actuaries and rate experts will investigate the new schedule and the various classifications to determine whether the increases sought are justified by the companies' experience in the state.

In filing the application for the new schedule the National Council contended

that the experience of the past year had demonstrated that the present rates are inadequate and that workmen's compensation insurance has been very unprofitable in Missouri, and that the present conditions in various industries indicate that there will be greater losses in the next year unless the increases requested are granted by the department.

Superintendent Thompson after the department's experts have had an opportunity to go over the new schedules will set a date for a public hearing at which representatives of the companies, employers of the state and others interested will be heard.

Oklahoma Probe Committee Recommendations Delayed

OKLAHOMA CITY, Oct. 12.—Recommendations of the board appointed by the governor to investigate workmen's compensation insurance conditions in Oklahoma and ascertain why companies refuse to write this class of coverage will probably be deferred until December, pending due consideration of all evidence presented, Chairman Murphy stated. A hearing of evidence on both sides was held recently.

Judge T. H. Doyle of the industrial

commission defended its work, declaring the companies are complaining because the compensation laws are being enforced. He recommended the establishment of a state fund.

Company representatives testified their losses have steadily mounted because of the liberal awards and reopening of old cases, which make it impossible for them to operate in Oklahoma. Col. W. L. Taylor, president Midwest Indemnity, said that if the committee were to obtain figures from the insurance board on the experience of insurance companies, no further evidence should be needed. The board made a complete investigation at the time it granted an increase of 47.5 percent about a year ago, he explained. The action of the board has been appealed to the supreme court and a decision is expected in the near future.

Sues on Southern Surety Claims

Attorney General Shartel of Missouri has brought suit in the circuit court at Jefferson City to compel the Home Indemnity to pay about \$50,000 in workmen's compensation awards made by the Missouri compensation commission under policies issued by the Southern Surety. Mr. Shartel contends that the Home Indemnity had taken over the business of the Southern Surety and should pay the claims.

Confer on Expense Loading

MADISON, WIS., Oct. 12.—William Leslie, associate manager of the National Bureau of Casualty & Surety Underwriters, will be in Madison Oct. 14 to confer with members of the Wisconsin compensation insurance board on the proposed graduated expense loading plan submitted by the bureau in August. The Wisconsin board has a number of suggestions to make concerning the plan, believing there should be at least five classes of risks, instead of two, and proposing a graduated scale of commissions ranging from 17½ percent on premiums under \$100 down to 8 or 9 percent in the largest premium groups.

New Jersey Increase Rejected

NEWARK, Oct. 12.—The New Jersey workmen's compensation rates now in force will remain so until June 30, 1933, according to the governing committee of the Compensation Rating & Inspection Bureau of New Jersey. The bureau has analyzed the premiums and losses for the policy year ending June 30 and in light of such study it has decided to maintain the present general level rates in force and not grant an increase.

Haugh in North Carolina

C. J. Haugh, actuary of the National Bureau of Casualty & Surety Underwriters, appeared before the recently formed North Carolina commission, in advocacy of the 23.4 percent increase in workmen's compensation rates in the state asked for by the stock carriers.

Buckeye Union Casualty Has Changed Instalment Plan

The Buckeye Union Casualty of Columbus, O., has now discontinued the \$1 service charge on instalment policies. This action was taken to permit agents to write more business by making it possible for them to offer a three payment plan without additional charge. The instalment plan with a \$1 service charge was used for the last four years. The Buckeye Union Casualty's instalment plan calls for a down payment of 40 percent, then 30 percent to be paid in three months and 30 percent in six months. No interest or service charges are made under the new arrangement. Cancellation of instalment policies or renewal certificates must be made within 15 days of the inception date. Instalment policies are not written where the premium is less than \$15.

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FIDELITY AND SURETY NEWS

W. O. Schilling for President

Nominating Committee Picks U. S. F. & G. Manager to Head Surety Association of Chicago

W. O. Schilling, manager of the United States Fidelity & Guaranty, is the choice of the nominating committee for president of the Surety Association of Chicago to succeed Frank C. McVicar, fidelity and surety manager for the Hartford Accident. The report of the nominating committee was made Wednesday evening at a gathering of surety men at the Park Ridge Country Club, after a day's outing.

Elmer C. Anderson, manager bonding department of the American Employers in Chicago, was nominated for vice-president and T. E. Dunne of the United States Casualty for secretary-treasurer.

The nominees for the executive committee are Mr. McVicar, A. C. Arnold, Standard Accident; W. H. Hansmann, Fidelity & Deposit; Louis C. Knapp, Great American Indemnity; R. E. Stitt, Joyce & Co.

Fraternal Order Bond Up

Committee of Surety Association of America Has Given the Form an Extended Review

BALTIMORE, Oct. 12.—An extended review of the conditions of Form C, fraternal order bond, undertaken by a subcommittee of the fidelity bond committee of the Surety Association of America, convinced its members of the soundness of their previously expressed opposition to include under such cover liability for bank deposit losses. Their continued attitude in the matter has been reported to the fidelity bond committee, which in turn will make known its conclusions to the executive committee of the association, leaving to that body the placating of the member company now granting the depository feature and anxious to continue doing so. Underwriters generally maintain that the assumption of liability for depository losses is not properly the function of a fidelity bond, but should be treated separately, or, if included under a general cover, a specific charge therefor should be imposed. It is pointed out that the great percentage of fraternal orders of the country operate in the less populous communities of the west and the south, sections in which the banking institutions, for the most part, are small affairs lacking the financial stability found as a rule among institutions in the larger centers. The deposits are in limited amounts, ranging down to \$100 and the task of checking the standing of each of the carrying banks is a laborious and expensive one, and a service it is felt, should be specially charged for by the surety offices.

Depository Bond Issue Up

Some Peculiar Kinks Are Found in Case of Failed Banks in Pennsylvania

Interest is taken in the action brought by N. P. Stewart of Cranford, N. J., a stockholder of the National Surety, who seeks to restrain it from paying a loss under its depository bond protecting the state of Pennsylvania deposit of \$453,979 in the Franklin Trust Company of Philadelphia, which failed. There has been much confusion regarding the depository bond situation in Pennsylvania and companies have refused to write bonds except covering deposits in the largest and strongest banks. The state

courts had refused to recognize the right of companies to cancel bonds and the state has refused to subrogate the sureties to its rights as a preferred creditor. However, recently the state has adopted a new bond form which allows companies to cancel at anniversary dates upon 30 days notice. This form has some flaws but under it some companies will write bonds on the best banks.

In 1929 the National Surety was in-

involved in a depository bond when the South Philadelphia Bank failed. It was bonding state funds. The state refused to subrogate the company to its rights as a preferred creditor. The National Surety paid the loss and it participated then as a common creditor. There were other bank failures. In some cases companies had instructed the state to withdraw its deposit within 30 days or the bond would be canceled. No withdrawal was made and the bank was closed. The attorney general held against the companies and an attempt was made to appeal but that was denied. Eventually the case went to the supreme court.

Mr. Stewart contends that the state

must first draw on the bank for the limit of its deposit. He holds that if the bank has insufficient funds to meet the state's deposits, then the sureties must pay the difference. If the state, however, refuses to collect from the bank and insists on the sureties paying the deposit the surety companies contend then that all other depositors get the benefit of the payment and not the state, since the state's deposit in the bank is thus distributed generally among all creditors in spite of the fact that the state filed its claim and alleged that its right was prior to that of all others. Mr. Stewart also holds that the state cannot relinquish its right to a prefer-

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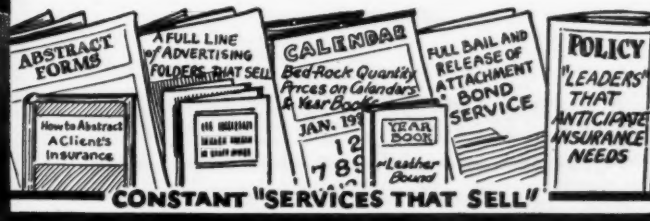
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ential claim on a closed bank, even if it wishes to do so.

F. E. Brisbane Resigns

F. E. Brisbane, manager of the surety department of the Commercial and Metropolitan Casualty in San Francisco, has resigned. Mr. Brisbane has made no announcement as to his plans for the future.

National Surety Figures

The National Surety as of Sept. 1 showed assets \$48,215,843, liabilities \$17,484,021, reserves \$11,682,138, capital \$3,000,000, surplus \$6,000,000, contingent reserve \$10,049,683. It paid claims during the first eight months amounting to \$14,000,000.

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NEWS OF THE COMPANIES

Start New Bank Bond Firm

Old Dominion Surety Formed at Richmond—Will Confine Activities to Virginia

RICHMOND, VA., Oct. 12.—A new surety company is being organized in Virginia known as the Old Dominion Surety. It will write only bank fidelity bonds and bankers' blanket bonds. W. H. Crawford, formerly associated with a bank in Salem, Va., is president and John C. Goddin, Richmond attorney,

secretary. The original charter has been amended reducing the maximum authorized capital from \$500,000 to \$250,000. It is planned to sell stock only to officers and employees of banks and to restrict operations to the state of Virginia.

Crawford Fiscal Agent

Mr. Crawford has been authorized by the state corporation commission to act as fiscal agent. Headquarters will be located in Richmond. An organization meeting is scheduled for this week. One of those interested in the enterprise is Charles A. Johnston, of Bluefield, Va., former state treasurer of Virginia. He is slated to be one of the vice-presidents.

Guaranty & Indemnity Is Now Licensed in Maryland

BALTIMORE, Oct. 12.—The Guaranty & Indemnity, Maryland, recently incorporated under Maryland laws, has been licensed in this state. The company, which has \$100,000 capital and \$100,000 surplus, will write indemnity and all allied lines. C. H. Walls, New York City, is chairman of the board; E. L. Kincaid of New Jersey, president; W. E. Thompson, New York City, vice-president; R. E. Tucker, New York City, second vice-president; W. I. Sindall of Delaware, secretary; E. A. Bailey of Pennsylvania, treasurer; E. F. Felter of New Jersey, assistant secretary; C. E. Rivers of Delaware, assistant treasurer, and J. J. Fallon of New York City, assistant treasurer. The directors include E. L. Kincaid, J. R. Callis and C. S. Phillips, all of New York City.

The company has opened offices at 204

North Liberty street and will start business within a week or so.

Three Casualty Companies Get Loans from the R. F. C.

Three casualty companies received loans totaling \$1,600,000 from the Reconstruction Finance Corporation in August, according to the monthly report of that organization filed with the clerk of the House of Representatives and by him made public, over the corporation's protest. There were loans to seven life companies, aggregating \$2,108,700 and none to fire companies. Among the sums repaid by borrowers during August was \$296,009 received from insurance companies.

The loans to casualty companies are: Standard Accident, \$1,000,000; Union Indemnity, \$400,000 and American Casualty of Reading, Pa., \$200,000.

Michigan Approval Given

LANSING, MICH., Oct. 12.—Rumors that Commissioner Livingston of Michigan is delaying the merger of the Constitution Indemnity, Lloyds Casualty and Detroit Fidelity & Surety in the new Lloyds of America were dissipated this week by the commissioner, who said that he tentatively approved the consolidation in the form in which it was submitted to the various departments affected and that Michigan has been merely awaiting action on the project by the New York and Pennsylvania departments.

Col. W. L. Taylor, president of the Midwest Indemnity of Oklahoma City, announces that John Sinopoulo, retired capitalist of Oklahoma City, has become a director of the company. Mr. Sinopoulo has large real estate and oil holdings and formerly headed a company operating a string of theaters in Oklahoma.

CASUALTY PERSONALS

Jesse S. Phillips, president Great American Indemnity, was in San Francisco last week en route to the insurance commissioners' convention at Dallas. During Mr. Phillips' visit a luncheon meeting was held with officials and members of the staff of the Great American companies, including Clifford Conly, Pacific Coast manager Great American Fire; H. L. Simpson, associate manager; Daniel McPeak and Alfred Hillback, managers of the Great American Indemnity.

H. A. Behrens, president of the Continental Casualty, spoke at a dinner in Buffalo, N. Y., given by the Charles F. Joyce Co., district agent for the Continental. He asserted fear of the future is gradually disappearing in this country, thereby removing the greatest single cause of prolonged dull business.

W. R. Dempsey, resident vice-president of the Independence Indemnity in San Francisco, has returned to his desk following an absence with a painfully infected arm as the result of taking serum in an attempt to ward off an approaching cold.

V. D. Cliff, president of the Federal Life & Casualty of Detroit, is in San Francisco for the purpose of appointing a successor to the late W. H. Salway, general agent for the company in the Pacific Coast territory.

Eric Collins of the legal staff of the National Life, U. S. A., delivered a

treatise on the beneficiary in a life insurance policy before the meeting of the Chicago Insurance Lawyers Club Tuesday evening. Mr. Collins is the son of Arthur W. Collins, United States manager of the Zurich, and son-in-law of A. A. McKinley, insurance lawyer of Chicago.

Sidney Hoyt, engineer in the contract bond department of the Fidelity & Deposit at the head office, is in Minneapolis after having spent the earlier part of the week in Chicago.

Burglary Claims Increasing in Various Parts of Country

Companies report an increase in burglary claims for the first nine months especially in the eastern part of the country. There has been an increase of 27 percent over the first nine months of 1931, 56 percent over 1930, and 78 percent over 1929. During the summer, the losses were unusually heavy. This was due largely to the fact that many residences were closed for part of the season. The apartment house claims have been notable in number showing that they are being made the target for professional burglars.

Plan Membership Campaign

E. H. Mueller, Madison, Wis., president of the National Association of Accident & Health Managers, met with James E. Powell of the Provident Life & Accident, Chattanooga, Tenn., regional vice-president, and Armand Sommer, Continental Casualty, secretary of the association, in Chicago last week to outline plans for an intensive membership campaign to be undertaken under the direction of the regional vice-presidents, working with the executive committee.

Fidelity and Surety Underwriter past four years in charge Los Angeles Branch Office Department one of major companies desires to locate in Chicago. Available after October 1st. Present connection aware this action. Age 35, married.

Address W-81, The National Underwriter.

Announcing A New Book on Fire Insurance

By W. S. Crawford, Insurance Editor
Journal of Commerce, New York

Mr. Crawford, one of the outstanding insurance editors of the United States, has through his many years of association with the leaders of the fire insurance business had an exceptional experience and opportunity for observation of the trend of the business for the past third of a century and has embodied his views and impressions in a new book shortly to be published by the National Underwriter-Rough Notes organization to be entitled

"The Background of Fire Insurance"

(To be published shortly)

The fire insurance business is going through a storm. Anyone who would fairly appraise what's going on, or estimate the value of the many suggestions now being offered, must have a real understanding of the background of the fire insurance business as a whole. Mr. Crawford's new book "THE BACKGROUND OF FIRE INSURANCE" gives a clear interpretation of the storms that the business has come through, the lessons that have been taught and brings out the guide posts that will help fire insurance steer itself successfully through the present storm. Nothing like it has heretofore been published.

Vitally Interesting To All in the Business

Older men will find that Mr. Crawford's book will coordinate and organize their general understanding into definite ideas and channels. They will find the reading of "THE BACKGROUND OF FIRE INSURANCE" a joy because of the opportunity to compare their own conclusions with those of one of the best known and highly competent observers of the business. Young men will find many passages that will be worth much to them in avoiding pitfalls, knowledge of which older executives have paid for by bitter experience.

Basic Facts—Clearly Interpreted

It is difficult to think of anyone who wants to have a clear interpretation of the fire insurance business being without Mr. Crawford's new book. Much of what he says has come to him from direct personal observation and conversation. He has had a personal opportunity to check up on its validity by discussion with the company executives and the agents as well as the bureau managers, who have directed the fire insurance business during the past 35 years.

It will Help You Meet Today's Problems

No matter where a man may be in the fire insurance business, whether in a local agency, the position of special agent, in the adjustment bureau, in the rating organization, in a public supervisory position or in the home office, he will find it profitable to take a look at "THE BACKGROUND OF FIRE INSURANCE" through the eyes of Mr. Crawford. It will help him directly in his own business, particularly in keeping suggestions for changes affecting the relations among the various parts of the business on a sound and solid foundation.

Send for your copy Now!

In this book Mr. Crawford gives his interpretation of the history and development of the business from the beginning down to the present through its various periods and gives his views on what may be expected in the future. It is a book which may be read with interest and profit by the seasoned executive as well as the newly appointed agent. Mr. Crawford has one of the fine editorial minds in insurance journalism and his comments coming at this time should be of special interest.

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Distribution of Loss
Selecting Assured
The Rough Road to Success
Play of Opposing Forces
The Struggle Toward
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